

Weekend

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Weekend FT

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SECTION II

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WEEKEND NOVEMBER 2/NOVEMBER 3 1996

Rwandan troops 'help Tutsi rebels in fight for Goma'

Rwandan troops entered the eastern Zaire town of Goma to assist Tutsi rebels fighting to capture it, diplomats said. Bukavu, capital of South Kivu province, was reported to have fallen to the rebels. The conflict pits ethnic Tutsis against the Zairean Hutu and Tutsi refugees, some of whom were involved in the 1994 genocide in Rwanda of up to 1m Tutsis. Page 3; The dinosaur at bay, Page 9

Germany attacks French budget plan: Germany criticised Paris's plan to use FFr27.5bn (57.5bn) pension fund transfers from France Télécom to reduce its budget deficit to qualify for a single European currency. Page 4

Telekom looks at further listings: Deutsche Telekom may seek to list on the Singapore and Hong Kong stock exchanges following its initial public offerings in Tokyo, Frankfurt and New York later this month. Page 5

Lloyd's Names warned to cut risks: Lloyd's Names, whose private wealth is used to support the London insurance market, should reduce the risks they are willing to underwrite next year, a leading members' group warned. Page 4

Forax company broke undertaking: A Geneva-based company solicited a British resident to engage in high-risk currency trading after assuring the Securities and Investments Board that it would not do so. Page 4

Bangladesh acts against child labour: A ban on the use of child labour in Bangladesh's thriving garment industry came into force after intense pressure from the US and the International Labour Organisation. The move deals a severe blow to the country's exports. Page 24

UK stocks lower after turbulent week: The UK stock market ended a turbulent week with the FTSE 100 index at 3,948.5, 30.5 points down on the day and 73.9 points down on the week. The Footsie started trading at a firm 3,862.4, but a stronger-than-expected UK purchasing-managers index prompted a reversal in its early advance. The US non-farm payrolls report met with expectations and briefly reduced the decline until a jump in US factory orders hit the Treasury bond market and US equities and acted as a signal for a sell-off in London. London stocks. Page 21; World stocks, Page 18; Markets, Weekend FT Page XXIV

SBC Warburg beats US rivals in Japan: European investment bank SBC Warburg was appointed foreign bookrunner for a Y210bn (\$1.5bn) convertible issue by Japan's Fuji Bank, breaking the grip of US investment banks on the sector. Page 6

China seeks to speed WTO talks: China announced a standstill on new trade measures inconsistent with international fair trade rules in an apparent bid to speed its negotiations to join the World Trade Organisation. Page 3

Russian banks accused: Russia's banks are using dirty tricks in an effort to force the government to ease its inflation-fighting policies, but they must stay on course, finance minister Alexander Livshits said. Page 2

Profit hit at Japan oil groups: Interim profits fell at Cosmo Oil and Mitsubishi Oil, two of Japan's top 12 distributors, partly because of rising crude oil costs. Page 5; Scott Pickford approached by three buyers, Page 6

Ex-Sri Lanka's president dies: Former Sri Lanka's president Jumrus Jayewardene, who ruled the country from 1977 to 1988, died aged 90. Obituary, Page 3

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Companies in this issue

| | | | |
|--------------------|-------|--------------------|-------|
| Abbott-Medical | 8 | Korea Telecom | 8 |
| Aptex | 5 | Lawyer Int | 5 |
| British Telecom | 1, 24 | Matthew Clark | 1, 24 |
| BT | 5 | MCI | 5 |
| BrightReprints | 5 | Midland & Scot Res | 5 |
| Burntwood Brewery | 5 | Mitsubishi Oil | 5 |
| Cable & Wireless | 5 | SBC Warburg | 5 |
| Carlsberg-Ardbeg | 5 | Samsung | 5 |
| Chemet Int | 5 | Scott Pickford | 5 |
| Chrysler | 5 | TR Technology | 5 |
| Corp Executives | 5 | TVX Gold | 5 |
| Crusade | 5 | Tata Engineering | 5 |
| Deutsche Telekom | 5 | Telco | 5 |
| Ernst & Young | 5 | UDO Holdings | 5 |
| Fokker | 5 | Ugland Int | 5 |
| Fiat Bank | 5 | VNU | 5 |
| Handelshof Tech Tr | 5 | Viacom | 5 |
| HTV | 5 | Wace | 5 |
| ICG | 5 | Whitbread | 5 |
| ITC | 5 | Wolstenholme Rink | 5 |

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Deal would create world's third largest telecoms group

By Nicholas Denton in London
and John Authers in New York

British Telecommunications is set to acquire the 80 per cent of MCI it does not own after the US long-distance carrier said yesterday it was in talks on a "possible combination" of the two companies.

The expected purchase price of \$40 per share would value the transaction at \$22bn and represents one of the largest ever transatlantic acquisitions. The merged company, with a market capitalisation of about \$64bn, would also be the third

largest telecoms group, behind AT&T of the US and NTT of Japan.

Concert, the joint venture between the two companies, is expected to be folded into the merged entity. BT and MCI's example would put pressure on other global alliances such as Deutsche Telekom, France Télécom and Sprint - to solidify their links.

BT would also inherit MCI's stake in News Corporation, the

media company controlled by Mr Rupert Murdoch, which would raise competition issues because of the alliance between BT and News Corporation in the UK.

Indications that a deal was imminent came in early trading in MCI's shares on the Nasdaq exchange yesterday. Shares jumped \$54 to \$31 before they were suspended at 1.30pm New York time.

As the CNBC television news network began to carry

reports that MCI would announce a deal, the company put out a statement confirming that it was in discussions and expected to conclude negotiations during the weekend.

MCI said: "There can be no assurance that any agreement will be entered into or that any transaction would be consummated." But it said it would make an announcement today or tomorrow.

The two sides are believed to have planned an announce-

ment on Monday, but were caught by surprise by the leak to Wall Street. BT's board was last night meeting to discuss the company's reaction.

BT first acquired a 20 per cent stake in MCI in 1984, paying \$4bn for its interest. At the same time it set up Concert - in which BT took a 7.1 per cent stake - to provide seamless international telecoms services to international clients.

Although Concert has worked more effectively than

some other global alliances, tensions with MCI management led BT to seek fuller control. The deal took on new urgency after the collapse of BT's merger negotiations with Cable and Wireless last May.

The main perceived obstacle was US legislation which sets limits on foreign ownership of telecommunications and media companies. But it is thought the Federal Communications Commission has indicated the rule on foreign ownership could be relaxed.

Lex, Page 24

US jobs rise gives Clinton 'perfect' end to campaign

By Michael Prowse
in Washington

A modest rise in employment, keeping the US jobless rate steady at 5.2 per cent last month, provided President Bill Clinton with a seemingly perfect economic backdrop yesterday for Tuesday's election.

The Labour Department said non-farm employment rose by 210,000 last month, more than making up for a decline of 35,000 in September. Since Mr Clinton entered the White House 10m jobs have been created - more than he promised while campaigning in 1992.

The job figures were welcomed on financial markets as signalling a "Goldilocks economy" - one that is neither too hot nor too cold.

Mr Clinton's campaign is benefiting from economic growth sufficient to keep the jobless rate close to its lowest level for a generation, yet not fast enough to alarm bond investors or put upward pressure on inflation.

But the majority view is the one recently expressed by Mr Lawrence Summers, the deputy Treasury secretary. Using

figures earlier this week showed a decline in growth to an annualised rate of 2.2 per cent in the third quarter, less than half the 4.7 per cent of the second quarter. This

prompted Mr Bob Dole, the Republican presidential candidate who is trailing badly in the polls, to warn voters that bad times were just around the corner.

There are some worries. Consumer spending growth has stalled in recent months, reflecting high levels of consumer debt. Corporate stocks of unsold goods are rising. On Wall Street some analysts warn that slower growth of corporate profit could soon undermine the stock market, which has soared during the Clinton presidency.

The Dow Jones Industrial Average is hovering at about 6,000 compared with 3,200 when Mr Clinton was elected.

But the majority view is the one recently expressed by Mr Lawrence Summers, the deputy Treasury secretary. Using

a golfing analogy, he said the US economy was in the centre of the fairway, equally distant from the rough of high unemployment and the rough of high unemployment.

Economists have been repeatedly surprised by the lack of upward pressure on prices in spite of a fall in the jobless rate to well below the 6 per cent often regarded as a threshold for accelerating inflation. Bond prices surged this week when figures showed a slight fall in the most recent quarter in growth of wage and benefit costs.

The core rate of consumer price inflation - which excludes the volatile components of food and energy - is running at 2.7 per cent, compared with about 3 per cent a year ago.

The benign economic

Continued on Page 24
Loser in Massachusetts, Page 3;
Editorial Comment, Page 3;
Natural born campaigner, Page 8;
Currencies, Page 10;
World stocks, Page 19

President Bill Clinton addresses supporters during a campaign rally in Las Vegas. He accused Republican rival Bob Dole of trying to scare Americans over the state of the economy. Photo AP

Justice, but there's a catch

By John Riddick in Hong Kong

Mrs Tam Yuk-ha, a Hong Kong fishmonger, has created a troublesome legal precedent - to be guilty in English but innocent in Chinese.

Initially fined HK\$8,000 (US\$1,000) for breaching council laws by putting tables outside her shop, Mrs Tam was acquitted on appeal this week after a high court judge cited differences in the English and Chinese versions of the law.

As Hong Kong hurries to next year's return to Chinese sovereignty, the fishmonger's escape highlights the loopholes involved and the loopholes which may be exploited. "Justice is blind, but here it is proving a little tongue-tied as well," said one local lawyer.

Although legal department officials decline to discuss details of the verdict because they are considering an appeal, Mrs Tam seems to have been let off the hook because of a less stringent nuance in the Chinese version of the law.

Whereas the English text stated that "no alteration or addition which would result in a material deviation" could be undertaken concerning the shop, the translation appeared to refer to physical alterations to the premises. Hence outside tables were out in English, but not in Chinese.

While Mr. Tam's victory is the first setback to be suffered in the translation task, it is unlikely to be the last.

"No translation is perfect," said the government's legal department. "And there are bound to be ambiguities, particularly when you are translating from English to Chinese."

Part of the problem is the scale of the task. Since 1989, the Legislative Council, the territory's legislature, has passed laws in Chinese and English. But there are about 20,000 pages of legislation which require translation by next July's transfer.

After a translation is prepared by the government's legal department, it is passed to the Bilingual Laws Advisory Committee, a body of lawyers, linguists, legal academics and members of the Legislative Council. It is then approved by the government.

The heart of the problem is the ambition to translate all the legislation within a few years, said Mrs Margaret Ng, chairman of Legco's justice and legal services panel. "It is being done too quickly, so you can't expect to meet the right standards."

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CONTENTS

| STOCK MARKET INDICES | US LUNCHTIME RATES | STERLING | DOLLAR |
|--|-----------------------------|-------------------------------|--------------------------|
| FTSE 100: 3,948.5 Yield: 3.97% | Federal Funds: 5.5% | New York: 1.8385 S: 1.8385 | DM: 1.5195 FT: 5.1146 |
| FTSE Midcap 100: 1,746.25 Yield: 4.07% | 3-m Treasury Bills: 4.5% | London: 1.8285 S: 1.8285 | SP: 1.2985 |
| FTSE All-Share: 1,949.25 Yield: 4.5% | Long Bond: 10.12% | DM: 2.4635 (2.6411) | DM: 1.5195 (1.5195) |
| Nikkei 225: 20,833.05 Yield: 4.5% | Yield: 6.025% | FT: 5.3882 (5.1829) | FT: 5.1146 (5.1082) |
| New York Stock Exchange: 1,200.00 Dow Jones Ind. Ave.: 5,020.44 Yield: 4.94% | Long Bond: 10.12% | SP: 2.0822 (2.0497) | SP: 1.2715 (1.2887) |
| S & P Composite: 705.35 Yield: 4.21% | Yield: 6.025% | Y: 160.009 (165.214) | Y: 113.59 (113.74) |
| II. LONDON MONEY | Bank Dated: 322.225 (22.63) | Index: 90.9 (90.2) | S Index: 97.0 (97.0) |
| 3-mo Interbank: 6.5% | Bank Dated: 322.225 (22.63) | London Y: 114.10 | Tokyo Y: 114.10 |
| Life long gilt: 6.5% (Dec 1995) | London Y: 114.10 | | |
| FT/SMI/WRI Indices: 109.1 | London Y: 114.10 | | |
| | Recent Issues: 10 | | |
| | Section II | | |

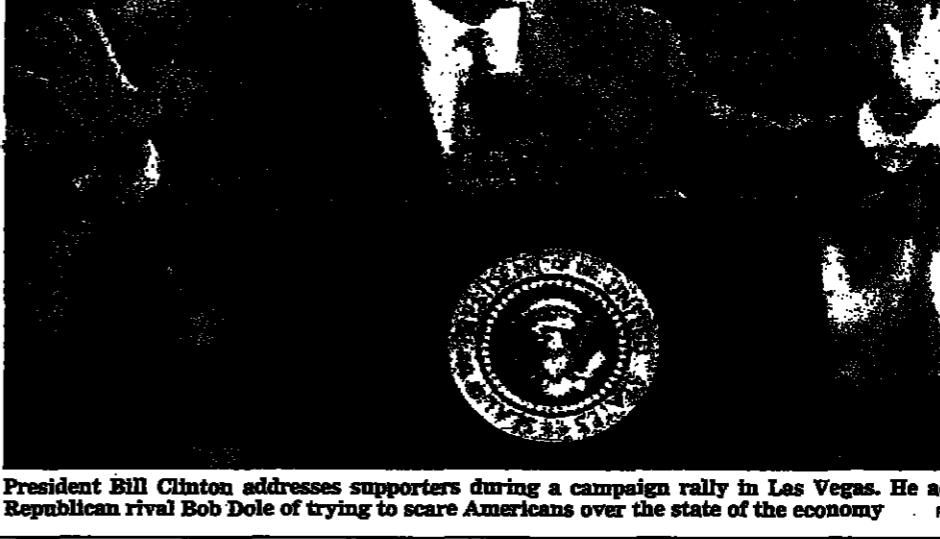
News International News UK News Weather Lex Features FT-SE Adjusters FT/SMI/WRI Indices

Letters Men in the News Companies London SE LSE Dealings Managed Funds FTSE FT-SE FT/SMI/WRI Indices

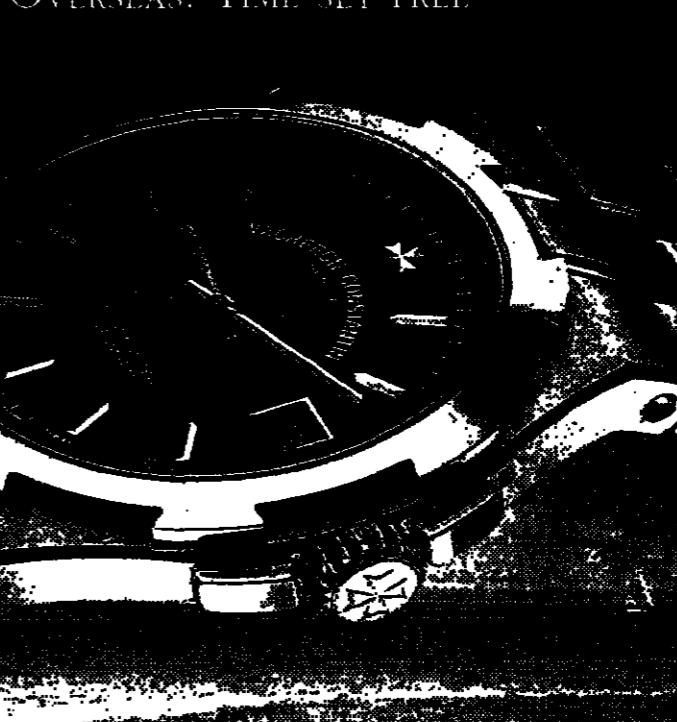
Foreign Exchanges Gold Markets London Bourse Wall Street Bourses Weekend FT

Share Information World Commodity Commodity Futures Bourse

FT/SMI/WRI Indices Recent Issues Section II



OVERSEAS. TIME SET FREE



NEWS: EUROPE

Russian banks accused over reforms

By Chrystie Freeland and Andrew Gowers in Moscow

Russia's beleaguered banks are using dirty tricks and open lobbying in an effort to force the government to ease its inflation-fighting fiscal and monetary policies, but the reform team is determined to stay the course, according to Mr Alexander Livshits, finance minister.

"The pro-inflationary pressure in Russia is higher than ever before. It is purely ideological, it has no connection with any political parties, it is just to defend economic interests," he said.

In an interview, Mr Livshits said many Russian commercial banks and other financial structures that had emerged in a period of runaway inflation were finding it difficult to survive now that inflation had been pushed down to less than 2 per cent a month.

Entrepreneurs had mounted a massive campaign to bring back easy money, which had included strategic publication of documents leaked from the ministry of finance and speculation in Russian newspapers about corruption in the central bank.

"[Mr Sergei] Dubinin [chairman of the central bank] and I are the biggest targets because we are fighting for low inflation," Mr Livshits said. But he vowed that no matter how strong the pressure, the government would remain firm. "I tell them [the lobbyists] to look beyond their own noses."

Other senior officials said the government's financial stabilisation efforts were already bolstering confidence in the Russian economy and could soon spark economic growth.

Mr Sergei Aleksashenko, a

deputy governor of the central bank, said that inflows of foreign capital into Russia were running at about \$1bn a month and that domestic savings had increased by 45 per cent in recent months.

He said government statistics, which still present a bleak picture of a contracting economy, failed to reflect the vigorous emergence of the private sector.

"In Soviet times compa-

nies over-reported their output. But firms are now interested in reducing their reported output and profits to reduce taxes."

But Russia's economic

helmsmen agreed that feeble tax collection, which forced a delay in the IMF lending programme last month, threatened to undermine the prospects for growth.

The budget is one of the pillars of the state as a legal system and a power structure. That is why any country which does not collect taxes cannot be considered to have a government," Mr Aleksashenko said. "We have no choice but to raise revenues."

But the cabinet believes it is slowly winning the battle to boost tax collection and that improved revenues in

EUROPEAN NEWS DIGEST

Danes relent over Rushdie

The Danish government yesterday tried to repair the damage done to its reputation by its refusal, announced on Thursday, to allow Mr Salman Rushdie, the UK author, to visit Denmark to receive the European Arisen literature prize on November 14.

Mr Poul Nyrup Rasmussen, prime minister, instructed his minister of culture, Mrs Jytte Hilden, to invite the author to Denmark, but on a date "before Christmas".

Mr Rushdie, who described the government's first decision as "cowardly", yesterday said he would accept the invitation, while the organisers of Copenhagen 96 Cultural Capital of Europe, which is awarding the prize, said the date of the award would be moved to fit the new arrangement.

Thursday's decision was taken on the advice of police, who said that they could not guarantee Mr Rushdie's security.

A factor in their decision was the drain on police resources over the past few months in trying to contain a war between biker gangs. *Hilary Barnes, Copenhagen*

Bulgaria set to elect reformer

Mr Petar Stoyanov, a reformist lawyer, looks poised to win Bulgaria's presidential election tomorrow but a deep economic crisis and the shadow of political violence will leave him little time to celebrate.

As the Socialist cabinet braced itself yesterday for tough talks with the International Monetary Fund on sorely needed loans, opinion polls gave Mr Stoyanov a big lead over the government's candidate, Culture Minister Ivan Marazov. A big defeat for Mr Marazov could tear apart Prime Minister Zhan Videnov's Socialist party and derail the government's shaky economic reforms.

The Gallup polling agency predicted Mr Stoyanov, pro-market liberal candidate of the anti-communist Union of Democratic Forces (UDF), would win 64 per cent of votes against 36 per cent for Mr Marazov in Sunday's run-off election.

In a televised debate on Thursday night Mr Stoyanov accused the government of making Bulgaria the reform laggard of the former East bloc and said he would call the cabinet to task if elected. *Reuters, Sofia*

Belarus minister sacked

President Alexander Lukashenko of Belarus sacked his defence minister for allegedly turning up drunk at an official ceremony yesterday. Russia's Interfax news agency reported. Mr Leonid Mal'tsev had earlier arrived with the president to mark the 75th anniversary of a medical institute in Minsk, the capital of the former Soviet republic.

"The reason for his sacking was the general's behaviour, who was drunk at the moment when he had to deliver an opening speech at the celebrations," Interfax claimed. "The head of the military body was unable to read the prepared text clearly." A defence ministry spokesman said he was unaware of the decision and presidential administrative officials were unavailable for comment. *Reuters, Minsk*

Turkey expects tourist record

Mr Bahattin Yucel, Turkey's minister of tourism, yesterday said Turkey expected a record 9.5m tourists to visit the country by the end of the year - a 22 per cent increase on the previous year - bringing in revenues of more than \$6bn. He forecast that the number of visitors would increase to 12m in 2000.

Mr Yucel was addressing the annual convention of the Association of British Travel Agents in Istanbul. Turkey is one of the fastest growing tourism markets, with an average annual growth rate of 15 per cent, according to the World Tourism Organisation.

Its share of the world tourism market grew from 0.3 per cent in the early 1980s to 1.2 per cent in the early 1990s. Tourism accounts for 26 per cent of export revenues and 3.2 per cent of gross national product.

Britain is a fast-growing source of tourists for Turkey. The number of visitors from Britain has more than doubled in four years from 314,000 in 1992 to an expected 800,000 this year.

Mr Yucel said Turkey had tried to maintain a balance between making a profit from tourism and conserving its natural resources. However, Mr Mike Cook, Britain's consul-general in Istanbul, said there was a risk Turkey might fall victim to its own success and its infrastructure might not be able to meet the demands of increasing numbers. *Scheherazade Daneshkhah, Istanbul*

Action on German reactor

The state government of Hessen will seek to shut down a nuclear reactor operated by RWE within a year due to concerns about public safety.

Mr Margarete Nimsch, Hessen environmental minister, said her government would revoke a licence granted to RWE in 1975 permitting it to run the Biblis A reactor, located in the town of Biblis. RWE will continue to operate the adjacent Biblis B.

She said the company would not be able to address the government's concerns about the safety of Biblis A before 2010. In particular, RWE would have to install an emergency system and improve the safety of the reactor. RWE estimates the measures would cost it around DM2bn (\$1.3bn).

Mrs Nimsch noted that, without the measures, Biblis A might not be able "to deal with any accidents or leaks". A meltdown was also not out of the question given the reactor's condition, the minister added. *APF, Wiesbaden*

The German post and telecommunications ministry has begun accepting applications for licences to operate telephone services in competition with Deutsche Telekom from January 1 1998. Applications will be processed and licences awarded on a first come, first served basis. *Peter Norman, Bonn*

Russian deficit to widen

A commission set up to iron out Russia's 1997 budget draft yesterday agreed to widen the projected deficit and raise foreign borrowing. But analysts said it was not immediately clear how the gap would be closed.

The conciliation commission of government and parliament, set up after the State Duma (lower house) rejected the first draft budget, agreed to widen the deficit to 3.5 per cent of gross domestic product from a previous 3.3 per cent.

It is unclear whether the wider gap would result from increased spending or lower revenues. But Mr Vladimir Petrov, first deputy finance minister, said the government would increase foreign borrowing by \$72m as a result.

Russia's main source of foreign borrowing next year is likely to be some \$4bn of a three-year \$10bn International Monetary Fund loan and eurobond issues. However, the IMF has effectively delayed payment of its latest tranche because of concerns over the low level of tax collection and its possible impact on the budget deficit.

Partly as a result of a tough monetary policy which has slashed inflation to less than 2 per cent, from 18 per cent in January 1995, the economy is starved of cash and wages and taxes are going unpaid.

The conciliation commission agreed to base the budget on an annual inflation rate of 11.8 per cent, the higher of two scenarios originally proposed. It gave a forecast for GDP of Rbs2.77,000bn (\$500bn), implying real growth of 3 per cent. It also assumed a weaker rouble exchange rate of Rbs5,750 to the dollar, compared with Rbs5,560 in the draft. *Reuter, Moscow*

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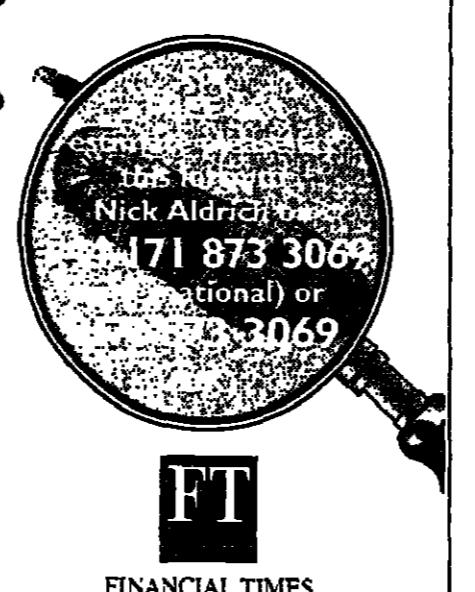
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FT
FINANCIAL TIMES
Information

Danish legal tussle could hamper EU

By Hilary Barnes in Copenhagen

A Danish court yesterday began hearing a challenge to the prime minister's signing of the Maastricht treaty. The case could have a bearing on when the European Union as a whole can ratify any treaty revisions agreed during the current intergovernmental conference.

At the heart of the case brought by the 11 complainants is Article 235 of the Rome and Maastricht treaties, which allows the European Council to take action in areas not specifically covered by the treaty.

They will argue before the courts that this article is not compatible with Article 20 of the Danish constitution, which states that the Folketing (parliament) can devolve sovereignty to international organisations "to

be prepared by the intergovernmental conference, which must be ratified by all 15 governments before it can come into force.

No one knows how long the case will last, but a final verdict will not be handed down until the verdict of the Eastern District court - whichever way it goes - has been the subject of appeal to the Supreme Court.

If the case drags on long enough, it could hold up the implementation of the revised Maastricht treaty

being prepared by the intergovernmental conference, which must be ratified by all 15 governments before it can come into force.

For political rather than legal reasons, Denmark will be unable to ratify the treaty, probably after first holding another referendum, until the Supreme Court has spoken.

The government hopes the case - which academic lawyers say is likely to last at least two years but could last significantly longer - will be over soon enough to prevent a serious delay.

At stake in the initial procedural skirmishing in the court is the complainants' request to be given access to government documents going back to 1973, the year

Denmark, the UK and Ireland joined the European Community, as it was then known.

The government's lawyers argue that access to documents should be restricted to the period since the signing of the Maastricht treaty.

an extent which is more closely defined".

As the Rome and Maastricht treaties were approved by large majorities in the Folketing, as well as by referendum, few people believe the Danish Supreme Court will declare the Maastricht treaty to be unconstitutional. But lawyers and politicians think the court may lay down a number of conditions which the Folketing and governments must observe when the treaty is applied in practice.

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NEWS: INTERNATIONAL

Loser in Massachusetts may still fly high

Jurek Martin reports on two able candidates in the most entertaining race for the US Senate



US ELECTIONS

November 5

There is an intriguing sign-off line in one of the TV commercials Senator John Kerry, Democratic incumbent in Massachusetts, is using against his opponent, Republican Governor Bill Weld. It says, "let's keep him where he is". Its immediate purpose is obvious, another argument why Mr Kerry should be returned to his third six-year term in Washington, where he gets generally high marks. It could also be taken as a backhanded compliment to the fact that Mr Weld is an undeniably successful and popular governor in the most congenitally Democratic state in the union apart from Hawaii.

But Mr Weld may consider it serious advice. For if he has serious presidential ambitions, and he is already touted as one of the Republicans most able to pick up the party pieces in the event of a Bob Dole debacle next Tuesday - he would be better placed to do so by serving two more years as governor and then freeing himself for a national campaign than by sitting in the US Senate.

History records that the last senator to make the direct transition to the White House was John F. Kennedy, also from Massachusetts; in 1960. Yet three of the last four



Weld (left) and Kerry: worthy records in public service

US presidents, Messrs Carter, Reagan and Clinton, were all former state chief executives.

More than that, a narrow loss to Mr Kerry might add to his lustre. It would be quite a testimonial in a state where Republicans constitute less than 20 per cent of registered voters, where the incumbent has Senator Edward Kennedy, the biggest name in Massachusetts politics, pulling out all the stops on his behalf and where President Bill Clinton leads Mr Dole by 30 points.

History records that the last senator to make the direct transition to the White House was John F. Kennedy, also from Massachusetts;

in 1960. Yet three of the last four

was also, until its sad but perhaps predictable descent into the negative over the last two weeks, easily the most enlightened and entertaining race in the nation.

It features two candidates of worthy records in public service both able to articulate very different political philosophies without recourse to some party text.

Mr Kerry, lantern-jawed and a touch over-earnest, is an exemplary modern Democrat, his heart in all the usual liberal social places but his head more able than most to grasp the budgetary consequences of over-spending.

Mr Weld, red-headed and a little too proud of his genuine sense of humour, is the perfect amalgam of economic conservative (\$350m in state tax cuts over the last six years) and social liberal verging on the libertarian (he favours abortion rights).

Both have Ivy League educations and are very rich - Mr Kerry even more so following his marriage last year to Ms Theresa Heinz, widow of the former Republican senator from Pennsylvania and food heir. Both wives, neither a shrinking violet, have campaigned hard for their husbands.

Yet the recent slugging match has been mostly about money. Each has accused the other of exceeding the mutually agreed campaign spending ceilings - \$6m apiece in total, \$3m of it on media advertising. Mr Weld has

also charged Mr Kerry with breaking Senate rules by accepting free lodgings from a Washington lobbyist friend while in the throes of his divorce in 1989.

Most of the offensive has come from Mr Weld, with questions even raised about Mr Kerry's combat decorations in the Vietnam war. A constant refrain of Weld commercials is that Mr Kerry cannot be "trusted".

It might be backfiring. Before their eighth and final TV debate on Monday, he appeared to have drawn level but his continued relentless assault, allied to Mr Kerry's careful emphasis on women's issues such as health and education, may have shifted the balance against him.

Mr Kerry is also getting the benefit of 11th hour visits from Mr Clinton and vice president Al Gore. Mr Weld did secure the endorsement of Mr Ross Perot, the Reform party candidate, but failed to get retired General Colin Powell to come to Massachusetts. Mr Dole, of course, is not welcome.

Regardless of Tuesday's result, neither man is at the end of the political road. If he loses Mr Kerry could find himself choosing between a cabinet post in the next Clinton administration or beginning the run for Mr Weld's next term in 1998.

Mr Weld, if his pride can take it, just might be better off in the long term with an honourable defeat. A natural born campaigner, Page 9

INTERNATIONAL NEWS DIGEST

Rwanda troops 'in Zaire town'

Rwandan troops entered the eastern Zaire town of Goma yesterday by lake and land to assist Tutsi rebels fighting to capture it, diplomats said. "There are RPA (Rwandan Patriotic Army) troops in uniforms in the centre of Goma city, the main square. They came in by land and across Lake Kivu on boats landing on the city beach," said a diplomat in the region, quoting witnesses.

In Bukavu, Mr Corinne Dufka, a Reuter photographer, reported yesterday that the town, capital of South Kivu, had fallen to the Banyamulenge Tutsi rebels on Wednesday.

The conflict in eastern Zaire pits ethnic Tutsis against both the Zairean government and Hutu refugees, some of whom were responsible for the 1994 genocide in Rwanda of up to 1m Tutsis and other victims. Tutsis, who are among some of Zaire's most successful entrepreneurs and professionals, are packing up and leaving, fearing a witch-hunt following a revolt by the Banyamulenge rebels.

In the latest incident, a mob of several hundred youths attacked Tutsi-owned property in the capital Kinshasa yesterday and looted dozens of cars, witnesses said. On Thursday, the transitional parliament called for Tutsis to be sacked from the army, civil service and state-run companies.

Reuter, Gisenyi

South Korea delays sell-offs

South Korea's decision yesterday to postpone privatisation of four of the biggest state-owned companies, including Korea Telecom, is a setback to its economic reform programme. Under the revised programme, the government will retain a controlling interest in Korea Telecom, while gradually disposing of minority shares as the stock market improves.

Although President Kim Young-sam recently urged an acceleration of the much-delayed sell-offs, the finance ministry said conditions, including a bearish stock market, were not right to proceed. Privatisation has also been delayed by the government's inability to find buyers for the state companies after it excluded the country's big conglomerates, or *chaebol*, for monopoly reasons.

The government announced in 1993 it would privatisate 58 state companies by 1998 for total proceeds of \$8bn, but only 16 enterprises, most of them small, have been sold. The sale of Korea Heavy Industries & Construction, a power generation equipment maker, will now be put off indefinitely, while privatisation of the Korea Gas monopoly will be postponed until 2003. Shares in the state-run tobacco company will begin to be sold in late 1997, but it will keep its domestic cigarette production monopoly for the foreseeable future. John Burton, Seoul

Beijing in gesture on fair trade

By Frances Williams
in Geneva

China yesterday announced a standstill on new trade measures inconsistent with international fair trade rules in an apparent bid to speed up its protracted negotiations to join the World Trade Organisation.

Chinese officials also said they had encountered "a more pragmatic and positive" approach from the US in bilateral talks on WTO entry terms, confirming a softer stance by Washington evident since mid-summer.

The US refused to sell helicopter parts to Jayewardene's administration. Only Japan continued to provide economic aid and to date remains the country's largest single donor of foreign aid.

Jayewardene turned to neighbouring India, which he had earlier accused of arming and training the Tamil separatists, and secured a watershed peace deal with warring factions. New Delhi was

to be the underwriter.

On July 29, 1987, Jayewardene signed the Indo-Sri Lanka peace accord with then Indian Premier Rajiv Gandhi whose mother, Indira, was the first to support and arm the Tamil rebels, including Tiger guerrillas.

The elder statesman Jayewardene made his only son, Ravi, as his security adviser, but failed to contain rising ethnic violence. Sri Lanka remained friendless as the country's human rights record deteriorated and the west imposed sanctions.

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Boatpeople to go by deadline

Mr Malcolm Rifkind, British foreign secretary, said in Hanoi yesterday he was confident that Vietnamese boatpeople remaining in Hong Kong's camps could be sent home by the time China resumes sovereignty of the colony next year. But it was up to Hanoi to come up with specific proposals for accepting back detainees it deems non-Vietnamese nationals.

The issue of so-called non-nationals is the main stumbling block in the way of smooth repatriation of the roughly 11,000 Vietnamese still in camps in the British colony. Most are ethnic Chinese and are included in a list of about 4,000 Vietnamese whose names and identity have yet to be cleared before they can be sent home.

Mr Rifkind, on an official visit, said those he met had shown a willingness to tackle the issue, which has been clouded in the last two months by a new wave of illegal migrants heading for Hong Kong. Jeremy Grant, Hong Kong

C & W signs China accord

Cable and Wireless of the UK, majority shareholder of Hong Kong Telecom, has signed a memorandum of understanding with China's Ministry of Posts and Telecommunications aimed at strengthening co-operation before Hong Kong returns to Chinese rule on July 1 next year. C&W said the memorandum would help co-operation on a "wide range of telecommunications ventures". The first joint project under the new agreement would be a fibre-optic submarine cable between China and North America. The UK company is co-operating with China on a new communications link between Beijing and Hong Kong to provide a range of telecommunications services. Tony Walker, Beijing

Israel suspends negotiator

Israel's defence ministry yesterday suspended Maj-Gen Oren Shahor from his negotiating team with the Palestinian Authority after he had held a private meeting with Mr Shimon Peres, Labour opposition leader, without consulting the government. Gen Shahor, who will retain his post as chief co-ordinator of government activities in the West Bank and Gaza, insisted his meetings with Labour leaders were social. Judy Dempsey, Jerusalem

Obituary: Junius Jayewardene

Visionary with a legacy of violence

Junius Jayewardene, Sri Lanka's former president, who died yesterday at the age of 90, was the first leader in South Asia to embrace the free market economy but he leaves a legacy of political and ethnic violence plaguing the country.

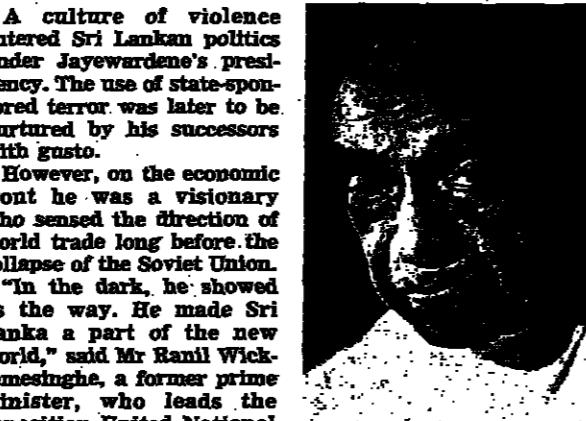
Junius Richard Jayewardene died of cancer and is to receive a state funeral accorded by President Chandrika Kumaratunga, whose late husband Vilay was locked up by him on charges of sedition in 1981.

He introduced sweeping political and economic reforms within a year of winning an unprecedented majority in 1977 and made himself the first executive head of state by scrapping the country's Westminster-style system of government.

"The only thing I cannot do is change a man into a woman," Jayewardene declared as he decimated leftists by deploying thugs to break strikes, arrested trade union leaders, and even organised demonstrations to intimidate judges.

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Jayewardene peace deal

ical unrest drove the country to disaster.

The boom turned to gloom when anti-Tamil riots erupted in July 1983, marking a turning point in the drawn-out Tamil separatist campaign that has claimed more than 50,000 lives since 1972. Three years earlier, Jayewardene had disbanded foreign appeals and taken away the civic rights of his main political rival, Sirimavo Bandaranaike. She

became prime minister two years ago. His sharp manoeuvring earned him the nickname of "Old Fox", and divided the majority Sinhalese community. It spawned a Sinhalese militant group which killed 6,000 mainstream political activists between 1987 and 1988.

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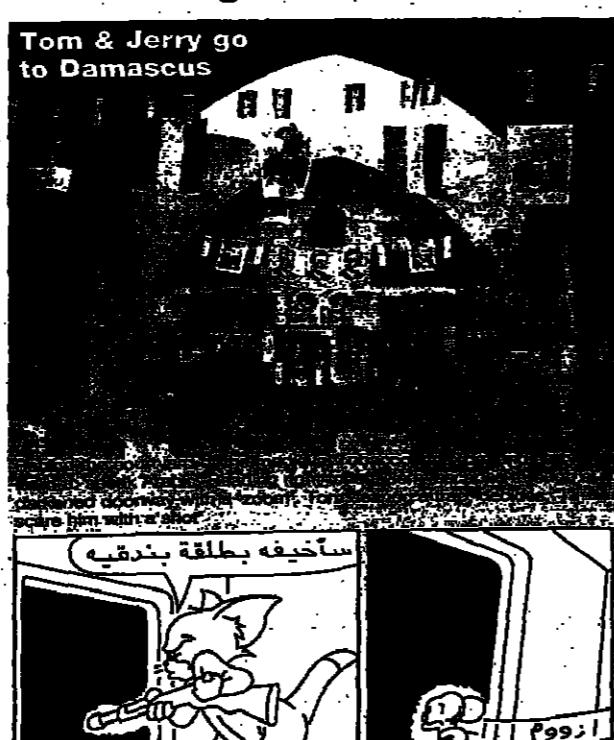
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From camels to cartoon culture

Alexandra Capelle on a Syrian family whose latest business venture, run from a centuries old office, is satisfying the TV viewing habits of Arabs



Nostalgia moved Mr Sabbagh to place the Syrian office of his expanding enterprise in the heart of the Old Town, festooned with pictures of Syrian President Hafez al-Assad and his dead son Basil, groomed to succeed his father as president before he was killed in a car crash in January 1984.

"Sabbagh's father worked here, his grandfather did," said Mr Ahmed Biki, his secretary. "It has to do with

memories of the past and his long relations with the people around here."

Five hundred years ago the Sabbagh family bought parts of the *Tutun Khan*, running it as a hotel for caravans. When camels were replaced by cars the family moved into the food importing business.

President Assad's clamp-down on imports in the early 1980s again forced the family to seek their fortune else-

where and Mr Sabbagh saw a more lucrative business opportunity in cartoons - a passion since childhood.

With a high-tech sound studio in a modern suburb of Damascus, a home in one of the most fashionable areas of town and frequent hunts around the globe for new cartoons, Mr Sabbagh enjoys the contrast between the medieval office location and his 21st century lifestyle.

"Slipping from one world into another is wonderful. I have grown up in the office of my father here and the traditions and smells of old Damascus are part of my life," he says.

Sixteen years ago, after finishing his business degree at Damascus University, he and his brother Fayez started Weiss Bros and began translating, printing and publishing cartoon magazines such as MGM's *Pink Panther*.

In 1987 the brothers dubbed and launched their first television programme, a Japanese football series, which became popular and was bought by all Arab television stations.

Today he claims that his Weiss Centre studio, established in Damascus in 1990, is responsible for 60 per cent of cartoon dubbing on Middle Eastern television and produces 70 per cent of all children's programmes in the Arab world.

With its head office in Jeddah, Weiss Bros has opened offices in Damascus, Beirut and Cairo to cover the region. Total investment in the sound studios and offices amounts to \$5m, according to Mr Sabbagh. But when it comes to disclosing financial details, he follows the tradition of Middle Eastern traders and keeps his profits a closely guarded secret.

This year the Weiss studio has been busy preparing 32 episodes of the *Simba The*

KTIMATIKI KEPHALEOU S.A.
ADMINISTRATION OF ASSETS AND LIABILITIES
TENDER'S INVITATION

For purchasing the total amount of Assets of the Company
«TOURISTIKAI EPICHRISIS STYLIDOS» S.A.

KTIMATIKI KEPHALEOU S.A. - Administration of Assets and Liabilities (1, Mesogion Ave., 115 26 Athens), as a special liquidator of the Company «TOURISTIKAI EPICHRISIS STYLIDOS» S.A., with central offices in Athens, and being under Liquidation by article Nr. 46a of Law Nr. 1892/90, under the 6885/1996 decision of Athens Court of Appeal, INVITES potential tenderers to submit, within 20 days from this publication, a non binding written declaration of interest for the purchase of the total Assets of the above Company which is to be liquidated.

BRIEF DESCRIPTION

The Company which is to be liquidated, established in 1968 under the name «AKTAKI PHTHIOIDES - HELLENIC ANONYMOUS TOURISTIC COMPANY (A.C.)», the chief agent of publishing and licensing rights for cartoon characters of US and Japanese giants such as Turner, King Features and Universal Studios.

Without A.C.'s approval it is illegal for any manufacturer to use the company's images or names for advertising or labelling. Projects in the pipeline for the Weiss brothers include a feasibility study on a children's satellite station for the Arab world and a new children's programme following in the footsteps of the famous US programme *Cartoon Network*.

A quick expansion with newly equipped studios in Damascus is scheduled to see these ambitious plans through. But no matter how big the studios become, Mr Sabbagh is certain to remain in his unpretentious office in the *Tutun Khan*, enjoying a different kind of world.

LIQUIDATION PROCEDURE

Liquidation will take place in a public auction according to the article 46a of Law Nr. 1892/90 (as modified by article 14 of Law 2000/91) and under the terms of the public sale auction which will be announced in the Greek and Foreign Press according to the law.

DECLARATION SUBMISSION - MEMO OF TENDER
For the submission of declaration of interest, as well as the collection of the Detailed Assets Memo of Tender, all tenderers should apply to the liquidator «KTIMATIKI KEPHALEOU S.A.», 1, Mesogion Avenue, Tel: 7793770, 7751750 (Mr. Theofilos Katalifos), or the authorized representative lawyer, Mr. Kostas Androustopoulos, 15, Navarinou Str., Tel.: 3811089.

Athens, October 22, 1996

NEWS: UK

Members' group warns that premium rates are falling and 1997 profits outlook is poor

Lloyd's Names should 'cut back on risk'

By George Graham
in London

Lloyd's Names should be cutting back on the risks they are willing to underwrite next year, a leading members' group has warned.

The Association of Lloyd's Members, which represents about 9,000 of the Names whose private wealth is used to support the Lloyd's insurance market, warns in its latest newsletter that premium rates are falling fast

and that the profits outlook for 1997 is poor.

Profits in 1995, the last year to report under Lloyd's three-year rolling accounts system, reached £1.08bn (£1.8bn) before expenses, and profits for 1994 and 1993 are also expected to be good.

Chatset, the independent Lloyd's analyst, said last month it expected the insurance market to report a profit to Names of £1.05bn for the 1994 year of account.

The forecast is slightly up on Chatset's last forecast of £1.024bn made in January 1995.

Chatset's forecast for 1995 has improved from £228m to £208m.

The association warns, however, that members should not be blinded by likely results for recent years and the successful completion of Lloyd's financial reconstruction.

"Trading conditions are still deteriorating and there is little sign that the market may be about to turn. It follows that Lloyd's may not

much better than break-even in 1997, assuming an absence of serious catastrophes," the association says.

Lloyd's Names have until the end of November to negotiate with their members' agents how much premium income they are willing to accept next year. They have to deposit funds amounting to 30 per cent of this "capacity" with Lloyd's to cover any insurance losses, although they can continue to earn income on these funds.

The warning about trading conditions on the Lloyd's market is echoed by Standard & Poor's, the credit ratings agency. Mr Andrew Campbell-Hart, managing director of insurance ratings for S&P in London, said he expected profits after expenses and special levies to top £1bn for 1994 and reach almost £200m for 1995.

"Clearly, however, the underwriting cycle is turning in 1995 and syndicate underwriters' reports are increasingly warning of softening reports and irresponsible competition within the international markets for the types of business Lloyd's specialises in," he said.

Lloyd's completed its comeback from the brink of insolvency in September when the Department of Trade and Industry approved the expected profits after expenses and special levies to top £1bn for 1994 and reach almost £200m for 1995.

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Lloyd's completed its comeback from the brink of insolvency in September when the Department of Trade and Industry approved the creation of Equitas, a specially created reinsurance company into which Lloyd's is transferring about £12bn of mainly US liabilities outstanding on policies sold before 1982.

Scotland searches its soul over chip jobs

Reliance on electronics is being questioned

Scottish Enterprise, the economic development body, last month unveiled another big inward investment success: the South Korean company Hyundai would invest £2.4bn (£3.5bn) building two semiconductor fabrication plants in Fife, creating 2,000 jobs.

It should have been cause for great celebration. Instead – apart from in Fife itself, in eastern Scotland – the news unleashed a wave of soul-searching about the value of inward investment to the Scottish economy.

Scotland's increasing dependence on the largely foreign-owned electronics industry and Scottish Enterprise's entire strategy.

For Mr Crawford Beveridge, the Scot who returned from California five years ago to run Scottish Enterprise, the carpeting was another illustration of the Scots' tendency to "see the bucket as a quarter empty rather than three-quarters full".

But the criticism in the

media and from some business figures evidently stung because this week he called in the press. He was worried, he said, that non-UK companies would get the impression that they were not wanted in Scotland.

In 1995-96, £261m (£1.597bn) was committed to Scotland in inward investment, according to Locate in Scotland, the division of Scottish Enterprise which markets Scotland as a business destination. Three-quarters of that was in electronics.

Scotland produces about 35 per cent of all branded personal computers made in Europe, thanks partly to the plants of Compaq and International Business Machines.

It has four microchip fabrication plants. Silicon Glen, the Scottish electronics industry is known, employs 55,000 people and in 1994 produced 30 per cent of Scottish manufacturing output.

It will make a further leap next year when a vast cathode ray tube plant built by Chung Hwa of Taiwan

comes onstream, with another Taiwanese factory beside it making monitors. The two should eventually create 4,000 jobs.

Yet the electronics industry's roots in Scotland do not go that deep. Much of it consists of assembly plants. The multinationals spend only a tiny amount on product design in Scotland; only about 20 per cent of their spending on sub-contract work goes to companies based there.

The CBI in Scotland last week voiced alarm that Scotland's non-electronics output was not just being outpaced by electronics, but was declining.

But Mr Beveridge said inward investment generally brought more productive and higher paid jobs than those provided by indigenous companies, and imported superior management practices.

In spite of claims that the UK government's Scottish Office directs most of its regional selective assistance

grants to overseas companies, Mr Beveridge said in the past five years £210m (£342m) of the £460m (£749m) committed went to indigenous companies, which made up 75 per cent of applicants.

As for Scottish Enterprise itself, only 12 per cent of the £2.5bn (£4bn) it had spent in that period went on attracting inward investors or giving them training grants.

"We spend most of our money on the indigenous company base," Mr Beveridge said. "Mr Beveridge said. "Let's have a debate about it and

see if Scotland is prepared to tolerate winning fewer jobs for a time."

He conceded: "I believe you build a very fragile economy if you only have inward investment." That was one reason why Scottish Enterprise had launched initiatives to persuade more Scots to set up their own companies. A Mori survey this year showed that the number of people in Scotland considering starting their own business had more than doubled since 1992.

James Buxton

Forex approach by Swiss company

By Clay Harris in London

A Geneva-based company has solicited a British resident to engage in high-risk currency trading, months after assuring the Securities and Investments Board that it would not do so.

International Foreign Exchange Corporation, known as Ifexco, wrote in late September to a prospective client giving details of where to send his money to open a trading account.

The man decided not to proceed after reading about losses suffered by customers of other foreign exchange companies in Europe. He passed the letter and Ifexco's sales brochure and draft contract to the Financial Times.

The letter appears to break a commitment Ifexco gave to the SIB in February not to seek customers in the UK.

Mr Olivier Quenon, Ifexco's sales manager, said yesterday: "We made a mistake." He added: "We don't want to get clients in the UK or Ireland." Irish residents, however, have also received direct mail shots from Ifexco in recent months. "We had contacts with the SIB about nine months ago, and we had no way of meeting their requirements," he said.

Ifexco's prospective client said he had answered an advertisement in an international magazine and had not been "cold-called".

Mr Quenon said Ifexco, registered in 1985, now had about 150 to 200 customers. It acts only as a broker, he said, executing trades on the orders of customers.

A letter he wrote in July to the prospective London client described it as a "company with a share capital of SFr2.5m" (\$2.0m). However, this is authorised capital: Ifexco's "free", or paid-up, capital is SFr500,000, he acknowledged yesterday, although this was shortly to rise to SFr900,000.

Companies such as Ifexco and Norder Asset Management, another Geneva-based company offering forex trading accounts, are not subject at present to financial regulation in Switzerland. On February 1 1997, a new securities law will bring them under the Federal Banking Commission. Companies will then have three months in which to apply for a licence and two years to satisfy all legal requirements.

Lawyers claim privatised utilities could face legal action from staff over conditions

Major set to reject EU working hours

By David Wighton and Nicholas Timmins in London

The privatised utilities could face legal action over long working hours if the government loses its battle over the European Union working time directive. City of London lawyers warned yesterday.

Mr John Major, the prime minister, yesterday backed pro-European cabinet members in the row over unfunded pension schemes, saying there was "no prospect of the UK picking up other people's pension bills", James Blitz writes.

He was speaking after calls by the social security committee of the House of Com-

mons for the pension liabilities of European Union states to be a criterion for a single currency. "What it certainly exemplifies in a spectacular fashion," he said, "is the reason why we should be involved in the negotiations on a single currency to protect the British interest whether we go in or stay out."

Lex, Page 24

November 23 would leave staff free to sue any public sector employer who failed to observe its limits, Ms Elizabeth Adams, a partner with the City lawyers Beechcroft Stanley said. That could include the privatised utilities, she added, after a recent ruling in a case involving South West Water, that they were "emanations of the state".

But employers' organisations are less clear that it will have any impact on working hours in spite of their continued opposition to the directive in principle.

Engineering employers said yesterday that providing the government took advantage of the wide degree of flexibility which the directive allowed, most businesses would see "no disruption".

Even the Institute of Directors, the employers' organisation most opposed to the change, said yesterday it did not expect "a lot" of impact in terms of hours worked, although small businesses bitterly resented the extra bureaucracy the directive was likely to require.

Mr Major yesterday

threatened to veto any changes at the inter-governmental conference if the court ruling went against the UK: a course ministers are known to be considering.

But he underlined the government's belief that the directive "infringes the agreement we reached at Maastricht about the social chapter" and said that he would "seek to have the matter returned to what I thought I agreed some time ago, in the next IGC".

The British Hospitality Association has calculated the directive could add up to £100m (£163.00m) to costs in the hotel and catering industry which, it says, turns over £40bn a year.

James Buxton

'Odd man out' fails to win support

By Emma Tucker in Brussels

Few of Britain's partners in the European Union have much sympathy for its position on the working time directive. Most of the other 14 member states already have statutory controls covering working time, some of which are more stringent than those in the EU directive.

For example, under German law employees can only work a maximum 10 hours

daily, compared with the directive's 13 hours. Some deviations are allowed but only with the agreement of certain unions.

For French workers, the normal working week should be 39 hours with a maximum of 48 hours. Permission to work over 48 hours has to be granted by law.

Britain is also the only EU country not to have a legally required number of days of paid annual leave, although this varies considerably

between the other 14 member states.

Where the directive provides for four weeks' annual paid holiday, in Germany the legal requirement is 3 weeks and in France it is 5 weeks.

The difference in tradition was reflected during negotiations on the directive, originally published in 1990 and adopted by the Council of Ministers in November 1993. During that time it was the subject of

debate primarily because of British objections.

On the final vote on its adoption, taken by a qualified majority, only Britain abstained, much to the irritation of the 14 partners who had agreed to a number of concessions to suit British requirements.

As the date by which member states are supposed to have transposed the contents of the directive on to national statute books draws nearer, many have almost

completed the necessary tailoring. Spain and the Netherlands have formally told the European Commission that it will have the legislation in place by the deadline of November 28; in Germany similar provisions to those in the directive were enacted 18 months ago; in Italy work is well underway.

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The exhibition designer, and engineers Buro Happold, will house 12 multi-level pavilions, each dedicated to a different aspect of time.

Surrounding the structure, which will give spectacular views over London and the Thames, will be parks, gardens, other entertainment amenities and transport hubs for boats and the new Jubilee line underground extension.

Mr Barry Hartop, chief executive of the one-year exhibition, said the design details had stimulated renewed interest from the private sector, from which the organisers must raise £150m. "They are just beginning to realise the gigantic scale of this exhibition. This will be the biggest celebration of the Millennium in the world and sited on the Greenwich Meridian line."

He added that he was confident of reaching the £150m target. The Millennium Commission, is contributing £200m of National Lottery money, with the remainder coming from advertising and gate fees.

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UK NEWS DIGEST

Salomon freed from scrutiny

Salomon Brothers International, the London arm of the US investment bank, has been released from the special probe imposed a year ago after the discovery of accounting problems that cost it \$1.9bn.

The Securities and Futures Authority, the UK's securities market regulator, said yesterday that it had decided Salomon need no longer submit the special monthly and quarterly reports it has required for the past 12 months.

The SFA said it was "now satisfied that the changes implemented by Salomon Brothers International are operating effectively, and considers that the conditions can be discontinued".

The findings in Salomon's accounting systems led to a serious discrepancy between its general ledger accounts and other internal accounts. Although the SFA accepted in 1994 that Salomon had already corrected the problems that led to the charge, it still imposed an unprecedented set of reporting requirements on the business to ensure that the changes were operating effectively.

George Graham

■ DRESSER INDUSTRIES

Ex-minister to head unit

Mr Tim Eggar, a former British industry and energy minister, has been made chairman of M.W. Kellogg in the UK, and adviser to its Houston-based parent of the same name, a Dresser Industries subsidiary.

Mr Eggar defended his decision to take up the appointment, a little over three months after he resigned his ministerial post in July. He had, he said, followed the correct public procedures over the appointment, and had been given the go-ahead by the UK government's Carlisle committee on business appointments.

There was, he added, no conflict of interest involved: he had met Kellogg during his period as minister, but "in fact I probably saw them less than any other company I dealt with".

Mr Eggar is a wholly owned engineering subsidiary of Dresser Industries. It has generated more than \$2.5bn in worldwide revenues during 1995.

James Blitz

■ ECONOMY

Factory growth accelerates

Manufacturers yesterday reported the strongest growth in factory activity for a year and a half as separate figures signalled the steady housing market recovery continued into the latter half of the year.

The latest survey by the Chartered Institute of Purchasing and Supply suggested industry's recovery from recession was gathering pace and becoming more broadly based.

COMPANIES AND FINANCE

Chrysalis and VNU form TV venture

By Raymond Snoddy

Chrysalis, the music and media group, yesterday announced a television joint venture with VNU, the Dutch publishing and information group.

The aim is to expand independent television production, particularly in entertainment, in Holland and to acquire independent production companies both there and in France. The joint venture is expected also to set up independent production companies in Germany and Scandinavia.

The deal was driven by the fact that Chrysalis, which owned 49.9 per cent of the Dutch independent producer IDTV, did not have the capital to expand as fast as it would have liked.

Under the deal, Chrysalis will contribute its shareholding in IDTV to the new joint venture, which will be known as CVI Media. VNU will pay F1 51.3m (\$30.26m) for 49.9 per cent of the venture, with up to \$8.5m in deferred payments related to profits. VNU will also make credit of about \$24.8m available to develop the company.

The deal is VNU's first big move into television production, although it already owns 49 per cent of Holland Media Group, which controls broadcasters such as Veronika in Holland and VTM in Belgium.

IDTV founder and chief executive Mr Harry de Winter will be chief executive of CVI.

In the year to the end of December, IDTV, which is the second-largest independent Dutch producer, behind Endemol, had a net profit of F16.4m.

Mr Chris Wright, chair-

man of Chrysalis, said the deal enabled three companies - Chrysalis, IDTV and VNU - to combine their skills, experience and resources to create a major new force in the European television production market.

Interest in the sector was underlined as shares in Endemol Entertainment, the Netherlands' leading independent producer of TV programmes, soared during their first days trading on the Amsterdam Stock Exchange yesterday, writes Gordon Crabb.

In a flotation which was 25 times oversubscribed, the price was set at F148 a share, top of the indicated range, valuing the company at F1 1.5bn. But Endemol made its debut at F1 55.80 and ended the day at F1 56.50.

The company, created by Mr Joop van den Ende and Mr John de Mol, expects to double revenues and profits within five years. Net earnings reached F1 60.6m in the year to July, on sales of F1 642.4m as the company expanded into other European countries.

Deutsche Telekom may widen listings

By Gwen Robinson in Tokyo

Deutsche Telekom may seek to list on the Singapore and Hong Kong stock exchanges in the year following its initial public offerings in Tokyo, Frankfurt and New York later this month.

The German group, conducting its Japanese roadshow, said it saw Tokyo as a testing ground for possible future listings elsewhere in Asia.

Mr Joachim Kroeske, finance director, said the company expected to allocate about 5 to 8 per cent of its first public offering of 500m new shares to Asia.

He expected 13-18 per cent would go to the US, 8-12 per cent to Britain, and 5-8 per cent to the rest of Europe, leaving 62-67 per cent of the shares for the German domestic market.

"We are delighted with the strong interest already shown in the international tranches," he added.

Despite the high costs of maintaining membership on the Tokyo Stock Exchange, and its recent declines, the exchange was chosen as one of the first three markets for Deutsche Telekom because of its size as the "second-largest capital market in the world", Mr Kroeske said.

In addition, the company is seeking to widen the range of investors on the institutional, as well as retail, side and believes that Japanese investors will find the stocks attractive as a result of the D-Mark's strength in Europe and the low level of inflation in Germany.

Mr Kroeske would not clarify reports that Deutsche Telekom hoped to forge a business partnership with Japan's largest telecommunication carrier, Nippon Telegraph and Telephone.

TV helps Viacom to 32% advance

By Christopher Parkes in Los Angeles

Viacom, the parent of Paramount Studios and MTV music television networks, outstripped expectations in the third quarter with a 32 per cent rise in net income from continuing operations, to \$102m. This pushed earnings per share up 55 per cent, to 27 cents, against 17 cents last time.

The results, which benefited from a \$1.3m gain and other side-effects from the split-off of the group's cable interests, were hailed by Mr Sumner Redstone, chairman and chief executive, as a reflection of the "health and vitality" of all the group's businesses.

Although recorded music suffered in keeping with the industry-wide trend, MTV and Paramount set the pace in the quarter, in which television interests increased operating cash flow 14 per cent to \$211m on revenues up 18 per cent at \$650m.

The entertainment division, powered by Paramount's international successes with *Mission:*

Impossible and the domestic success of *First Wives' Club*, increased cash flow a more modest 10 per cent to \$79m, while revenues rose 17 per cent to \$855m.

Film results showed the effects of continuing increases in marketing costs, while music's problems dented the performance at Blockbuster, the group's troubled international video and music rental and retail business.

Revenues at the division embracing music, videos and theme parks rose 14 per cent to \$1.1bn, mainly because of a 4 per cent increase in the number of video outlets and improved same-store business. However, operating cash flow for the division was only 1 per cent higher at \$194m.

In a further cost-saving step, Blockbuster yesterday announced plans to move its headquarters from Dallas, Texas, to Fort Lauderdale, Florida, the main operating base for many of the group's businesses.

Plans to close 10 per cent of its music shops and other restructuring moves

City confirmed at TVX site

By Karin Hope in Athens

The Greek government yesterday confirmed the discovery of an ancient city at Olympiada in northern Greece, where TVX Gold, the Canadian mining company, has been planning to build a 200-tonne gold extraction plant.

Ms Anna Diamantopoulou, the Greek development undersecretary, stressed the gold recovery project would go ahead because it was "important for the whole region".

"We know about the antiquities in the area, both the city being excavated on the coast and one identified at Olympiada," she said. "We

are not insensitive to the archaeologists' concerns."

She said the site would be selected in "about three months' time" from a list prepared by a team of experts from IGME, the state mining research institute, and Athens and Thessaloniki universities.

The team is to make a new study of TVX Gold's concession area on the Chalcidice peninsula.

TVX Gold, which earlier this week denied the discovery of the second city, is preparing to re-open the Olympiada mine, following the lifting of a blockade by local residents protesting against the gold extraction project.

Yesterday it said it had not been informed that an ancient city had been found at the mine site.

Mr John Hick, TVX Gold vice-chairman, said: "We are not aware of the discovery and there has been no official determination of the existence of a second city.

The ruins at Olympiada are controversial because of Greece's strict laws on protecting antiquities. While the government is committed to expediting TVX Gold's investment, a permit from the state archaeological service would be needed for the gold plant to be built.

Mr Dimitris Grammenos, head of Thessaloniki

museum and the senior state archaeologist in northern Greece, said the city was discovered in July after surface surveys outside the mining area. The archaeologists also visited the mining operations, which extended over part of an ancient cemetery, he said.

TVX Gold paid \$46m for the assets of Kassandra Mines, a bankrupt state-owned mining company included in Greece's privatisation programme. The company plans to use pressure oxidation to extract gold from a 200,000-tonne stockpile of ore residues from previous lead and zinc mining operations at Olympiada.

Back to the wall but ready to fight

Wace's chief executive says it will bounce back, writes Tim Burt

Merrill Lynch says: "They have been at a loss what to do with this group for the past three years. And the collapse in trading profits is now a severe worry."

Ms Louise Barton at Henderson Crosthwaite adds: "I am assuming very little increase in demand and there must be a question mark over the final dividend."

Mr Grice, however, believes their concerns are misplaced. He maintains that Wace's latest trading statement simply represented an accelerated version of the group's on-going strategy.

"The fault, if any, is that we have tried to do a lot of things too quickly. If the market had been kinder there would have been barely a hiccup."

That may offer little relief to investors who have seen the shares fall from a high of 284p in the spring. It must be all the more galling for those longer-term ones who saw the stock recover from less than 50p in 1992, when controversy over share dealing by former executives prompted an inquiry by the

Department of Trade and Industry.

Mr Grice, however, is right to point out that the latest problems have been largely market-related. All its markets have declined. But it has suffered most in corporate printing, involving production of company brochures and annual reports.

Intense pricing pressures and weak volumes in that sector, both in Britain and North America, have persuaded the group to scale back its activities. Plants will close in New York, London, Glasgow and Kent. Further US plants in Grand Rapids and Memphis have been earmarked for disposal, while a small Dutch printing outfit has also been put on the market. Also, management has been partly diverted by the integration of two recent acquisitions.

Wace has decided to merge its "wet glue" labelling activities with Ferry Pickering, the specialist packaging and carton group acquired for 22.2m last year. The company has also had to stem losses at its card finishing plant, acquired from Hall-

mark for 28.5m last year.

Mr Grice, has tried to keep yet more balls in the air by seeking strategic alliances in the US, where Wace is cutting from seven sites to three, and to move from five to two sites in France.

By taking \$13m of provisions against this year's profits, Wace hopes to push through that reorganisation and concentrate on its high margin digital imaging activities. This is the area where it hopes to use market lead-

ing technology to offset any further decline in demand.

Wace has developed innovative CD-Rom technology to present company annual reports, for example, on the internet. Mr Grice expects technology to underpin Wace's future growth.

"A lot of people would have run from this challenge," he says. "I have never failed in my life and my reaction is to come out fighting. That is what Wace is doing."

Jon Moulton quits Apax after 2½ years

By Katherine Campbell

Mr Jon Moulton, a specialist in large leveraged buy-outs, is quitting UK-based Apax Partners after just 2½ years.

Mr Moulton, 45, said he wanted "more flexibility and independence of action". He has not decided what to do next, but observers expect

him to set up his own fund. "In our industry, people make a lot of money and their objectives do change," said Mr Ronald Cohen, Apax chairman.

One of the industry's brightest, if maverick, deal-makers, Moulton was hired to develop Apax's large buy-out capacity. He said he

had invested about £60m in ventures including Brands Hatch Leisure, the motor circuit owner poised for flotation. Not all his deals have borne fruit, though notably the bid for Signet Group, the former Ratnars jewellery chain. "Obviously I famously failed to complete Signet but then completing deals is

easy if you pay too much," he said.

The founder and former managing partner of Schroder Ventures, Moulton fell out with the parent bank in 1994 after it attempted to impose tighter controls. He surprised many rivals, and assumed he would not want to submit again to the discipline of an existing partnership, by moving to Apax, which had tried to hire him a decade earlier.

Both sides insist the parting - next February - is amicable. Mr Moulton says he will keep his directorships at six companies, and remain a partner of Apax's corporate finance arm.

Japan oil groups down sharply

By William Dawkins in Tokyo

INTERNATIONAL NEWS DIGEST

Canadian Airlines tightens belt

Canadian Airlines, facing a cash squeeze because of domestic price wars, high fuel prices and competition from two new charter firms, is cutting overheads, seeking a 10 per cent pay reduction from employees and putting more equipment on to transborder services.

It estimates these moves will bring about a C\$200m (US\$150m) swing in cash flow. About 250 jobs will go and the service fee paid to American Airlines (it owns 30 per cent of Canadian) will be renegotiated, along with other supplier contracts.

Canadian earned C\$85.7m in the third quarter, against C\$98.9m a year earlier. The first nine months showed a loss of C\$43m against a C\$65.1m loss a year ago.

Robert Gibbons, Montreal

Samsung upbeat on Fokker plan

Samsung Aerospace yesterday said it was "favourably reviewing" a Dutch government proposal that it invest \$500m-\$600m in Fokker as a condition for taking over the bankrupt Dutch aircraft company. But it added that no agreement has been reached yet in spite of an informal November 1 deadline suggested by the Dutch government on the Fokker negotiations.

Samsung Aerospace, a subsidiary of the Samsung group, wants to assemble aircraft developed by Fokker for sale in Asia, with the Dutch company continuing to market for Europe. The Samsung-Fokker negotiations have focused on a possible split in aircraft manufacturing operations between the Netherlands and South Korea, and Samsung's request for state financial support from both the Dutch and South Korean governments.

John Burton, Seoul

Former ITC chairmen held

The scandal around ITC, BAT's Indian affiliate, deepened yesterday when finance ministry enforcement officials arrested and charged two former chairmen with offences under the foreign exchange regulations act. Mr K. L. Chugh and Mr J. N. Sapru were refused bail by a metropolitan magistrate's court and remained in custody until November 13.

The ministry enforcement agency, which earlier this week arrested four other present and past officers of the company, says it has evidence of breaches of foreign exchange regulations through falsified invoicing of imports and exports.

Peter Montagnon and Kunal Basu, Calcutta

Telco ahead strongly

Continued strong sales growth has seen Tata Engineering and Locomotive (Telco), India's largest truck maker, drive its net profit in the six months to September 30 higher by 46 per cent to Rs3.3bn (\$92.6m) from Rs2.36bn. The performance by one of the flagships of the Tata group was marginally above market expectations.

The company, which is now producing Mercedes-Benz cars under a joint venture with Daimler-Benz, increased its sales by 37 per cent to Rs40.03bn. The number of vehicles sold rose by 22.1 per cent to 99,261 while production increased by 26 per cent to 103,883 vehicles.

Tony Tassell, Bombay

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COMPANIES AND FINANCE: UK

BSkyB attacked by investment adviser

By Raymond Snoddy

British Sky Broadcasting, the satellite television venture, has been criticised by Pirc, the independent investment adviser, for not making all directors stand for re-election.

The Pirc attack came as BSkyB announced a 31 per cent increase in pre-tax profits to £66m for the quarter to the end of September.

Mr Stewart Bell of Pirc said:

unsuccessfully to get a formal vote at the BSkyB annual meeting yesterday on proposed changes to the company's articles of association that enshrined the existing policy that directors of founder shareholders did not have to retire by rotation at the meeting.

Founder shareholders include Granada, Pearson, and Chargeurs; the proposed changes to the articles resulted from a demerger at Chargeurs and were designed to ensure that the directors nomi-

nated by the company which now holds the Chargeurs BSkyB stake, Pathé, would have the same rights as other founder shareholders.

Mr Bell, however, said the articles "weren't in the best interests of shareholders" and were out of line with current best practice.

He was supported by the West Midlands Pension fund, which wrote to BSkyB expressing "deep concern" at the proposals for the election of directors not fully accountable to shareholders.

The West Midlands fund argued that the proposals did not comply with the accepted best practices in corporate governance as derived from the work of Cadbury and Greenbury.

Mr Gerry Robinson, the BSkyB chairman, said the arguments had been registered but that the proposals had been accepted by 96 per cent of shareholders in postal votes.

Earlier, Mr Robinson told the meeting that BSkyB was on course

to launch its digital satellite service in autumn 1997. Up to 200 programme services are planned.

The profits increase came on first quarter turnover of £265m - a rise of 24 per cent.

Growth in the number of sub-

scribers totalled 145,000 for the quarter compared with about 200,000 in 1995.

BSkyB blamed the dip on competition from the European Football Championships and Olympics on terrestrial television.

NEWS DIGEST

BrightReasons in Whitbread talk

Whitbread confirmed yesterday it was negotiating to buy the BrightReasons Restaurant chain amid signs that price was turning into a stumbling block. "Some of the earlier numbers of £30m are well out of court," said one analyst. The issue appears to revolve around Whitbread's intentions for the 160 restaurants. If it kept them under their existing brands such as Pizzaland and Bella Pasta it would have to pay a substantial chunk for goodwill. But that route presents several problems for Whitbread, the analyst said: the City has criticised it for large goodwill write-offs on previous acquisitions; it might be questioned by competition regulators because it is already a joint venture partner in Pizza Hut, and it has many of its own restaurant brands. Whitbread is thought to be keen on valuing BrightReasons for its own sites, indicating a value of about £20m-£25m. It would convert most of them into Cafe Rouges, Dome bars, Costa Coffee bars and other types of restaurants and pubs.

Roderick Oram

CIA suggests mediation

CIA Mediaworks has put fresh proposals to Laser Sales, the ITV advertising sales house representing Granada and Yorkshire-Tyne Tees, to try to resolve a bitter dispute over money. The independent media buying agency said yesterday it was prepared to put the dispute to an independent body such as the Independent Television Commission for arbitration.

The ITV companies claim they are owed around £1m from last year's trading and have threatened to issue writs against CIA. Laser has also written to a number of CIA Mediaworks clients warning if there is no agreement CIA's credit line and recognition will be withdrawn from the beginning of next year.

CIA said yesterday the maximum claimed by Laser was £22.45m, and that the ITV companies it represents are still considering the latest CIA proposals. It is clear the threat to issue writs has not been lifted and will be used if agreement cannot be reached.

Raymond Snoddy

UDO static but optimistic

UDO Holdings, the reprographics services group, yesterday described annual results as "disappointing" but was optimistic about the effects of recent restructuring. "Our disappointment... has underlined our absolute commitment to improve earnings from our two core businesses. Separating these two activities and building focused management teams for them is already beginning to produce benefits," said Mr Mike Wright, chairman.

Operations were this year split into two divisions: reprographic services, and drawing office supplies, equipment and service. Slower than expected reprographic sales growth and pressure on volume and margins in the other division contributed to static pre-tax profits of £6.55m (£6.52m) on turnover slightly ahead at £53m for the year to July 31.

Burtonwood Brewery ahead

Following the disposal of its free trade side, Burtonwood Brewery turned in pre-tax profits of £1.85m for the half year to September 28 against £1.51m last year, struck from turnover of £23m against £25.7m. The additional shares acquired with the purchase of the externally held shares in Vantage Inns have now been absorbed into the estate, which has 497 tied houses compared with 488 this time last year. Retail profits had been disappointing, the company said, but a planned development of the retail estate was under way.

TR Tech reconstruction

TR Technology, the investment trust, has agreed a reconstruction which gives its shareholders the chance to transfer to a new technology trust, the Henderson Technology Trust. HTT is making a series of options available to TRT shareholders, and is also proposing to raise an additional £146m net through a placing and offer for HTT shares and warrants. HTT aims to maximise capital growth via quoted technology companies. It is due to be wound up on April 30 1998 but the recommended reconstruction allows shareholders to continue their investment.

Shareholders can choose between maintaining exposure to technology through HTT, or continuing until April 1998 with a highly geared capital structure and the proposed liquidation programme. Avenues of investing in HTT available to TRT shareholders include one HTT C share for each ordinary TRT share, a stepped preference offer, zero dividend preference offer, and package unit offer. The reconstruction is to be implemented by SBC Warburg.

Joan Gray

Chemex International warns

A profit warning from Chemex International, the chemical and environmental analysis company undergoing a cost-cutting restructuring, yesterday sent the shares down 14p to 74p.

The company said, however, that it did not intend to cut the dividend from 0.15p for the year to September.

It said the profit fall reflected "the continued competitiveness of the market", although the volume of work was encouraging. It also announced the departure yesterday of Mr Colin Ulyatt, deputy chairman and finance director.

M&S Resources delays result

Midland & Scottish Resources said yesterday it would publish its results for the six months to June 30 on November 12, and requested a temporary suspension of its shares until publication. A delay in consolidating financial information from its Italian subsidiary has led to a short postponement in publication, it said.

Corp Executive Aim debut

Corporate Executive Search International shares started trading on Aim yesterday at 4p and closed at 4.5p.

The company, which specialises in the selection and placement of executives in the high technology and finance markets, came to the market via a placing of 23.5m shares at 3p.

The company has a total of 156m shares, giving a market value of £4.68m. In the year to March 31 it made pre-tax profits of £436,000 on turnover of £1.9m.

MONTHLY AVERAGES OF STOCK INDICES

| | October | September | August | July |
|-------------------------|-------------------|------------------|---------|---------|
| FITSE Actuaries Indices | | | | |
| FITSE 100 | 4021.0 | 3827.1 | 3841.7 | 3707.2 |
| FITSE 250 | 4436.4 | 4419.1 | 4358.1 | 4281.4 |
| FITSE 350 | 2000.5 | 1982.1 | 1922.5 | 1882.5 |
| FITSE Non-Financial | 2069.13 | 2043.06 | 2002.27 | 1958.69 |
| FITSE Financial Group | 3292.82 | 3149.04 | 3078.43 | 2886.69 |
| FITSE All-Shares | 1973.94 | 1938.37 | 1899.46 | 1844.67 |
| FITSE Eurotrack 100 | 1764.30 | 1680.99 | 1645.82 | 1649.85 |
| FITSE Eurotrack 200 | 1618.00 | 1745.74 | 1709.46 | 1682.92 |
| FITSE/BSP-A World Index | 217.59 | 202.56 | 210.17 | 207.68 |
| FITSE Indices | | | | |
| FT Govt Securities | 94.38 | 93.21 | 93.20 | 92.84 |
| FT Fixed Interest | 115.52 | 114.19 | 113.42 | 112.67 |
| FT 30 | 2644.2 | 2622.3 | 2601.5 | 2721.5 |
| FT Gold Mines | 1897.81 | 1874.84 | 2039.39 | 2010.03 |
| SEAO Bargains (5.00pm) | 39.854 | 36.334 | 31.723 | 28.002 |
| | Highest close Oct | Lowest close Oct | | |
| FITSE 100 | 4073.1 21st | 3663.9 30th | | |
| FITSE 250 | 4452.7 22nd | 4409.8 1st | | |
| FITSE 350 | 2022.1 21st | 1977.1 30th | | |
| FITSE All-Shares | 1994.54 21st | 1952.02 30th | | |
| FITSE 30 | 2870.1 21st | 2799.1 30th | | |

| | Highest close Oct | Lowest close Oct |
|------------------|-------------------|------------------|
| FITSE 100 | 4073.1 21st | 3663.9 30th |
| FITSE 250 | 4452.7 22nd | 4409.8 1st |
| FITSE 350 | 2022.1 21st | 1977.1 30th |
| FITSE All-Shares | 1994.54 21st | 1952.02 30th |
| FITSE 30 | 2870.1 21st | 2799.1 30th |

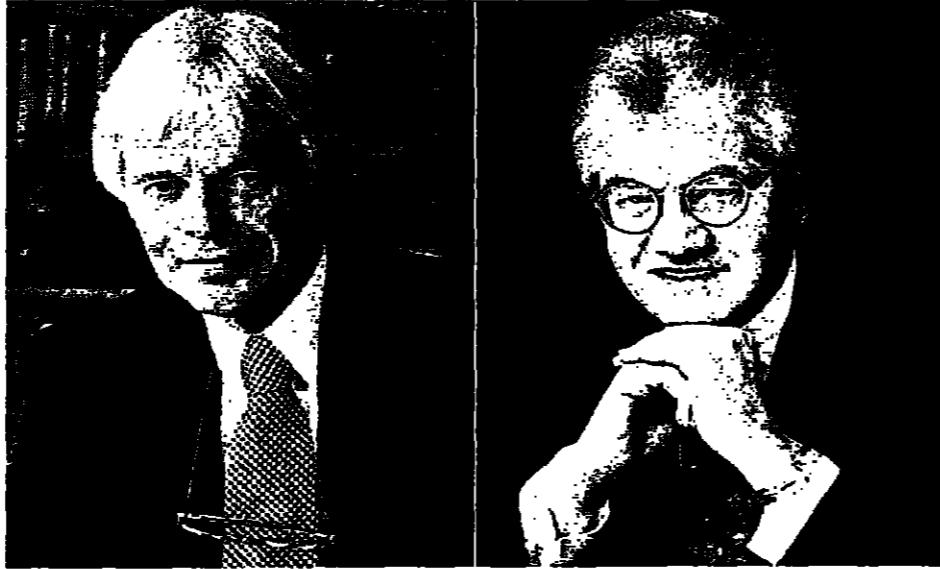
By Jane Martinson

Mr David Abbott, the man who introduced Henry Kissinger to advertising, is to stand down as chairman of Abbott Mead Vickers to spend more time working on the advert.

The move was described as part of a "natural progression" by analysts. Mr Abbott, the 58-year-old founding partner of the agency, will relinquish his seat on the group board but will continue as chairman and creative director of the agency.

Mr Abbott said: "At 58, I not only want to make room for younger management, but I also wish to devote even more time to the agency clients and to the advertising we produce for them."

Mr Peter Mead, who also helped found the company in



David Abbott (left) with his successor Peter Mead. The basic message will remain the same

Ugland seeks £54m to finance acquisition

By Charles Batchelor, Transport Correspondent

Ugland International Holdings, the shipping group whose shares are suspended, yesterday announced a £54m share issue to help finance the acquisition of the Ugland family's vehicle carrier interests.

Ugland is to acquire the family's 50 per cent stake in

1977, will become group chairman. He said the changes will make little difference: "I'll be writing the introduction to the annual report, but basically the message will be the same."

Mr Mead, who started his career as an account executive, has been the City's main point of contact in his job as chief executive, whereas Mr Abbott had continued to copywrite. His latest work includes last month's advertisement for the Economist magazine which features Henry Kissinger's advertising debut.

Other clients are J Sainsbury, British Telecommunications and Volvo.

As part of the reshuffle,

Mr Michael Baulk, chief executive, will become group chief executive.

Mr Paul Richards, analyst at Panmure Gordon, said the

"orderly" move was typical of a company which had never indulged in public boardroom rows. He felt that Mr Abbott wanted to "relax a bit".

Three years ago, while continuing to work between 70 and 80 hours a week, Mr Abbott said: "My eyesight's going and my knees ache, so there are some older audi-

tences that I'm just beginning to understand."

In 1993 the group, which floated in 1985, appointed two younger managers, Mr Andrew Robertson, the 34-year-old managing director of the agency, became a board director, and Mr Peter Souter, 33, was named as Mr Abbott's successor as creative director.

In last year's report, Mr Abbott pointed out that the appointment of young blood was no prelude to the "cull of our mature herd". He continued that the partnership of "crabbed age and youth" was one of the strengths of the group, and said "long may they continue; or to be absolutely honest, long may we continue".

The deal will be made by

Mr Abbott's son, Mr Aikens, who holds almost 8 per cent of the company, has written to shareholders ahead of Tuesday's AGM urging them to reject proposals to change the board.

He describes the requisitions as "aimed solely at achieving board control for the shareholder group with-

50 per cent stake in two more vessels owned through separate one-ship companies.

It will take over an £8m loan to acquire a 50 per cent stake in these companies, Transita Shipping and Tritia Shipping.

A special interim dividend of 1.92p will be paid for the year to December 31. Ugland expects the shares to be

relisted on November 29.

Scott Pickford approached by three buyers

By Justin Marozzi

Scott Pickford, the oil exploration services and engineering group, has been approached by three potential buyers, it emerged yesterday.

Mr Antony Phipps, who controls Westclay, the largest shareholder with 25 per cent, said SP had received

two approaches from foreign companies in the oil exploration services industry.

Aerodata, an Australian airborne geophysical survey group, last night said it had received irrevocable under-takings from SP shareholders - all board members - representing 14.2 per cent of the equity, to accept a possible conditional offer of 45p a

share. SP shares closed unchanged at 35p.

A takeover could put an end to months of bitter struggle between competing factions on the board. The group is dealing with a call from Westclay to remove three directors and a requisition from a group of small independent shareholders to appoint two new directors.

The outline "leaves a huge number of questions," one analyst said.

The biggest are did any other causes, yet to be disclosed, lie behind the drop in volume? Does

Matthew Clark have the management and culture to excel in brand promotion? How big a hit will the cost of effective marketing and brand support make?

The company insists the problem is only a lack of advertising and promotion of the brand. "Diamond White is a fashionable drink - not a cider - and it has to be treated like one," a Matthew Clark executive said.

This week, Matthew Clark acknowledged it had cut too

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Signs of recovery for copper

By Susanna Voyle

A volatile week for copper prices came to a close yesterday with late flurries of trading pulling the metal back from the day's low.

However, London Metal Exchange prices were still down on the week. Copper started at \$3,041.50 a tonne for three-month delivery, but

a large increase in stocks was announced. It ended the day at \$1,425, down \$13 on the day. Traders said that a challenge to support at \$1,400 was possible in the near term.

On London's International Petroleum Exchange yesterday, crude prices failed to pick up much from Thursday's slump, which was prompted by the announcement of a Kurdish ceasefire with Iraq.

Traders had interpreted this as bearish news for the oil market as it could bring Iraqi oil back to the market sooner.

Brent Blend for December delivery - the international benchmark price - was trading at \$22.225 a barrel late yesterday from an opening of \$22.65.

Brokers said a price slip in late trading yesterday came after selling pressure built up when crude on the New York Mercantile Exchange appeared to be testing the psychological support of \$22 a barrel.

A Gas Oil yesterday failed to bounce back after starting lower on the back of Thursday's slump in crude.

November gas oil closed 75 cents above the session's lows, having started the day's trading at \$21.4.

Gold took a week of punting in London. The precious metal kept its balance yesterday, but dealers said the market was overwhelmingly bearish and was threatening to fall to fresh lows for the year in the near term. Bullion fixed at \$377.50 an ounce, against \$377.50 in morning trading and down about \$5 since the start of the week.

The week saw another sell-off in sugar. GNI research said the selling was triggered by further indications of a bumper harvest in China, coupled with the first Cuban freight order of the season. "Further losses are likely," said GNI Sugar, at \$307.80 a tonne in late trading yesterday, down \$1.50 on the day.

Aluminium fell back after

ended yesterday at \$1,958. Earlier in the day prices had gone down to \$1,919.

A fresh fall in warehouse stocks failed to affect prices significantly. Stocks now stand at six-year lows - and near-term direction will depend on whether or not this trend continues.

"Overall the market continues to range roughly between \$1,900 and \$2,000," said one trader. "It has been hit by profit taking on any upside move."

A fall in zinc stocks combined with recent investment fund buying aided an earlier rally, pushing the metal to a five-and-a-half-month high of \$1,075 a tonne. Zinc for three-month delivery was near this level at \$1,076.50, against an opening yesterday of \$1,066 and of \$1,055 at the start of the week.

Traders said that zinc had the potential to push higher next week, but warned that any weakening in copper prices could dent the upward trend.

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the market was overwhelmed by a price slip in late trading yesterday, but dealers said the market was overwhelmingly bearish and was threatening to fall to fresh lows for the year in the near term. Bullion fixed at \$377.50 an ounce, against \$377.50 in morning trading and down about \$5 since the start of the week.

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BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, SEL. PURITY (5 per tonne)

Cash 8 mths

Close 1385.50-95.5 1416-17

Previous 1418-7 1443-4

High/low 1425/1413

AM Official 1389.50-95.5 1417-18

Kurs close 1389.50-95.5 1417-18

Open int. 234,392

Total daily turnover 46,315

Total Int. 1389.50-95.5 1417-18

Total Open Int. 234,392

Total Cash 46,315

Total Open Int. 1389.50-95.5 1417-18

Total Total 46,315

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Saturday November 2 1996

The luck of the Clintons

Spare a thought, as the US election returns come in next Tuesday, for Mr George Bush. Nearly 1m new jobs, a 8% per cent rise in GDP, low and stable inflation – over the past four years all these might have been his. But a rogue presidential candidate, in the form of Mr Ross Perot, and a rogue lot of economic statistics gave these years of plenty instead to Mr Bill Clinton.

In the summer of 1992 the US was already well embarked upon what has been the longest quarter of negative growth this century. Unfortunately for Mr Bush, no one knew it at the time. All the voters could see was that growth had averaged only 1.2 per cent during his term, compared to 2% per cent during the Reagan years.

To preside over a brief recession during one's first term as president is unlucky. But the gods of the economic cycle must have been truly scowling on the White House to grant the incumbent a spirited recovery properly recognised only a few days after the election. For the last months of the campaign, all that Mr Bush had to show as proof of recovery was a meagre 1.4 per cent annual growth rate in the second quarter of 1992.

The third quarter growth figures, released the week before polling day, showed things were improving, with an estimated annual growth rate of 2.7 per cent. But by then it was too late. The feel-good factor was so entrenched that many voters simply refused to believe the new figures.

Changing statistics

As it turned out, the figures were indeed wrong. By late November the statisticians at the Commerce Department had recanted. The economy had not grown by 2.7 per cent, they admitted, but by 3.9 per cent. Good news for the economy, and for the president-elect. Galling news for Mr Bush.

Cut to now 1996, and a neat reversal of economic history. This week's GDP figures showed a sharp slowdown in growth in the third quarter, to an annual rate of 2.2 per cent. Once again, though, the news seems to have come too late to help the Republicans. And Mr Clinton had a more impressive previous quarter's growth rate of 4.7 per cent to brag about throughout the summer. The voters probably do not feel as good as they might. But the economic optimism is palpable –

and in stark contrast to 1992.

Does Mr Clinton deserve any of the credit for this happy confluence of the economic and political cycles? Perhaps a smidgen. His opponents promised that the tax increases in the 1993 budget would stall the recovery. It turned out to be a smart way to boost investment by reviving confidence in the bond market and to speed the cyclical decline in the federal budget deficit already underway.

But the president did not – contrary to his campaign propaganda – create those 10.9m jobs. Nor did he keep inflation broadly stable at an average rate of around 2% per cent. The credit for these achievements rests squarely with the economic cycle, the flexibility of the US economy, and the Federal Reserve's luck and skill in ensuring the two remained more or less in sync.

Economic control

Mr Alan Greenspan, the Fed chairman, has not put a foot wrong since Mr Clinton was elected. In fact he has done so much for the incumbent that some have questioned his right to call himself a life-long Republican. The clincher came in August, when he declined to raise interest rates in the face of what many considered unsustainably growth.

The decision not to tighten policy was a gamble. But the data released since then have generally supported it. Yesterday's payroll figures for October showed a rise of 210,000, which is the average monthly increase for the year so far. These came after a string of figures showing, among other things, a slowdown in growth of personal consumption and employment costs. It is too soon to tell whether the economy has slowed enough to defer an increase in interest rates until next year. But Mr Clinton has been saved an inconvenient pre-election increase.

The only other economic cloud on Mr Clinton's pre-election horizon was the possibility of a stock market fall. But even Mr Dole has given up hoping for such an election-eve miracle. The President, in other words, is home free.

If and when he does win on Tuesday, Mr Clinton may well hark back to the mantra that proved so successful in 1992 – that "it was the economy, stupid". But if it was the economy that won it, it most certainly was not Bill Clinton.

Cynicism is deeply ingrained among seasoned observers of British economic policymaking – which is hardly surprising considering the historical record.

So while Mr Kenneth Clarke, the chancellor, was portraying this week's decision to raise interest rates as evidence of his determination to resist inflation, MPs and economists could not help wondering what other surprises he might have up his sleeve.

Suspicion naturally focused on the Budget, now barely three weeks away. Conservative backbenchers hoped – and some City pundits feared – that what Mr Clarke had taken away by raising rates he would more than give back through cuts in taxes.

This unsettled the currency markets. After rising strongly in the immediate aftermath of Wednesday's quarter-point rate increase, the pound had what one analyst described as "the most amazing up-and-down day" on Thursday.

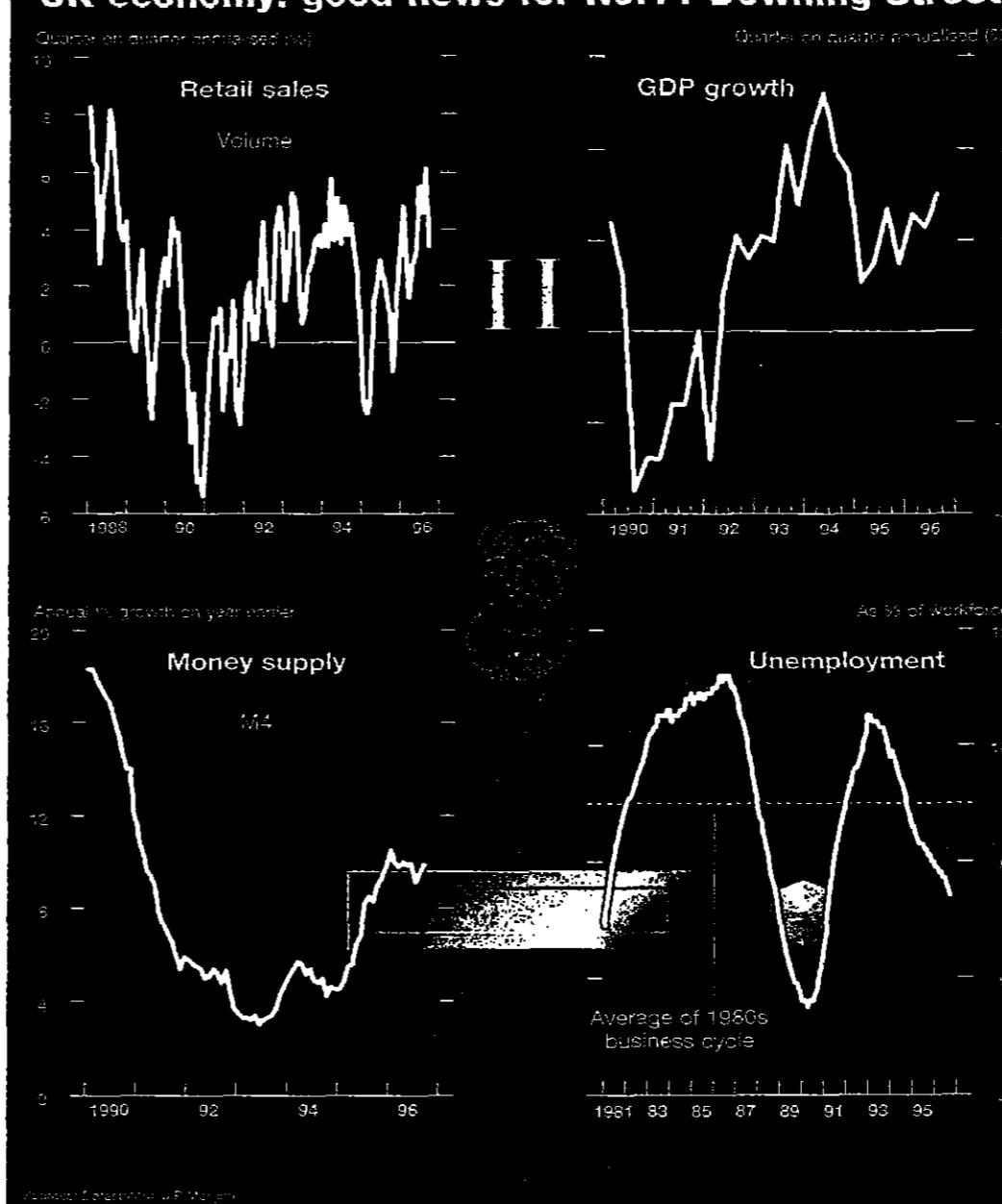
In spite of the measures taken since 1992 to enhance the openness of policymaking in the UK, the relationship between Budgets and interest rates remains shrouded in mystery. The minutes of the monthly meetings between the chancellor and Mr Eddie George, the governor of the Bank of England, tell the truth – but not the whole truth. Discussion of tax and public spending plans – and the ways in which they impinge on interest rate decisions – are systematically removed from the written accounts of the meetings before they are published.

Perhaps more important are the Budget confidences which pass between the chancellor and the governor over lunch. At least as frequent as the formal monetary meetings, these unpublicised tête à tête take place alternately at the Bank and the chancellor's official residence at No 11 Downing Street, with only a single official present to take notes. They range widely over topics of mutual interest, of which the content of the Budget would certainly be one.

But there is no evidence yet that the chancellor is planning to play Mr Nice Guy on taxes after playing Mr Nasty on interest rates. Mr Clarke has waged a dogged and largely successful campaign to dampen expectations of a pre-election giveaway since the Scottish Conservative party conference earlier this year.

The Bank, the International Monetary Fund and Treasury officials have made clear that big tax cuts cannot be justified on economic grounds, with stronger growth forecast and tax revenues mysteriously weak. In its annual health-check on the UK economy this summer, the IMF urged a tightening of about £3bn (\$4.5bn).

UK economy: good news for No.11 Downing Street



Source: Department of Employment

people taking early retirement. These groups cannot be attracted back into the labour market quickly when shortages of workers arise, he says.

Others see no signs of inflationary pressure that needs easing off. Mr Peter Warburton at Robert Fleming, the investment bank, argues that economic growth is being exaggerated by the unusually rapid growth of financial services. And the fast expansion of the money supply owes more to corporate takeover activity than to consumers preparing to go mad in the shops, he says.

Mr Warburton judges Wednesday's move a mistake: "At a time when no other country of any size is raising interest rates, there is no good reason for us to do so."

The Bank of England was clearly pleased by Mr Clarke's decision, and will indicate how pleased in Wednesday's quarterly Inflation Report. In August the Bank gave the chancellor only a 40 per cent chance of hitting his target for inflation of 2.5 per cent or less in the medium term.

Since then the economy has strengthened and inflation has failed to decline further as expected. But the pound has risen by about 7 per cent. On the usual rule of thumb, this is equivalent to 1.75 percentage points on interest rates if it is sustained.

"The chancellor has preempted criticism in the Inflation Report," argues Mr Geoffrey Dicks, at NatWest Markets, the investment banking arm of National Westminster Bank. He adds that the Bank would probably now give the chancellor a 50:50 chance of hitting his target.

But Mr Richard Jeffrey at Charterhouse Bank doubts Mr Clarke has done enough. "By raising rates a quarter-point he has focused attention on the fact that he is not as optimistic as he was, but he has not done enough materially to affect the outlook for inflation."

Most City economists believe the chancellor's caution on interest rates presages a similarly cautious Budget on November 26.

The consensus view is that tax cuts will centre on a 1p cut in the basic rate of income tax (now at 24 per cent) and perhaps a widening of the 20 per cent lower-rate band. This would be paid for by further trimming public spending plans, with money perhaps also saved by scaling down tax relief on profit-related pay.

But if the tax giveaway is bigger than the markets think prudent, it could undermine sterling's recent strength and force the chancellor into an embarrassing rate increase nearer the election. So, to borrow one of Mr Clarke's favourite phrases, good economics might prove to be good politics.

LETTERS TO THE EDITOR

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We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5538 e-mail: letters.editor@ft.com Published letters are also available on the FT web site, <http://www.FT.com> Translation may be available for letters written in the main international languages.

Eloquence of a rise in interest rate

From Mr Austin Mitchell MP.

Sir, An interest rate rise of a quarter of 1 per cent doesn't sound much but it symbolises a lot. It says that the UK government thinks any further falls in unemployment will be inflationary and must be avoided. It says that manufacturing, which already faced a 30 per cent rise in relative export prices since we left the ERM plus a 10 per cent rise in the nominal exchange rate

over the last few weeks, will be further hit, even though its output is virtually the same as when we entered the EEC. It says that real interest rates, which have been rising with every fall in inflation, will remain far too high. It says that export-led growth is ruled out and the economy will have to keep going by high borrowing at even higher rates of interest. It says the chancellor, Kenneth Clarke, is begin-

ning to fear that the game is up so he might as well leave Labour to inherit the consequences. It says that we're not going to seize the opportunity of a Europe locked in Maastricht's deflation to win back some of the trade and markets we've lost. How eloquent such little things can be.

Austin Mitchell,
House of Commons
London SW1A 0AA, UK

Windfall is of Labour's own making – and unfair

From Mr Philip Hollobone.

Sir, What Labour calls a windfall ("Impact of Labour's tax plan assessed", October 31) would seem to be partly of its own making. While accusing the Conservatives of privatising companies too cheaply, the Labour party ignores the fact that rather than trying to maximise sale proceeds for the taxpayer, it has repeatedly talked down the flotation value of state assets through its own negative comments in the issuing prospectuses.

Privatised BT was to be brought back by Labour into "social ownership" with the forced exchange of voting for non-voting shares at no more than the flotation price. Privatised British Gas was to be turned into a British Gas and Oil Corporation. Labour promised to "regain a controlling share of EAA". The water industry was to be "an early candidate for a return to some form of public ownership", while the regional electricity companies were to be "publicly owned" with a Labour government taking control of the National Grid.

It would seem particularly unfair for Labour to promise a tax now on the share price gains they themselves helped to create by trying to undermine the privatisation process on flotation.

Philip Hollobone,
4 Curzon Drive,
Church Crookham,
Hampshire GU13 0JL, UK

Different views on Russia in most respects

From Prof Richard Pipes.

Sir, I do not mind when John O'Mahony, reviewing Orlando Figes's *A People's Tragedy* (October 19/20), criticises me for allegedly writing "dogma-ridden 'top down' history" and being "Russia-phobic". I have heard worse, especially from people like Mr O'Mahony who have given no published evidence of expertise in the field of Russian history.

But I must protest on behalf of the late E.H. Carr, since he cannot defend himself, at Mr O'Mahony's listing him, alongside me, as an "eminent cold-war historian".

Mr Carr and I differed in almost every respect in our views on Russia and the Russian revolution. He regarded the revolution as inevitable and progressive, and called for collaboration

law based upon a free trading system is at the centre of the answer to these questions.

The WTO should set its agenda accordingly and use Singapore to ask these two questions of its member countries, to further the movement towards a free world.

The debate is too fundamental to be left to any single country to dictate.

R.G. Allwork,
4 Curzon Drive,
Church Crookham,
Hampshire GU13 0JL, UK

Inappropriate

From J.E. Spence.

Sir, Why does Patti Waldmeir, in an otherwise excellent article ("Bill Clinton in a dress' lands labour bid to re-enter politics", October 29), describe a candidate for the forthcoming Congressional elections in the US as "thick ankles"?

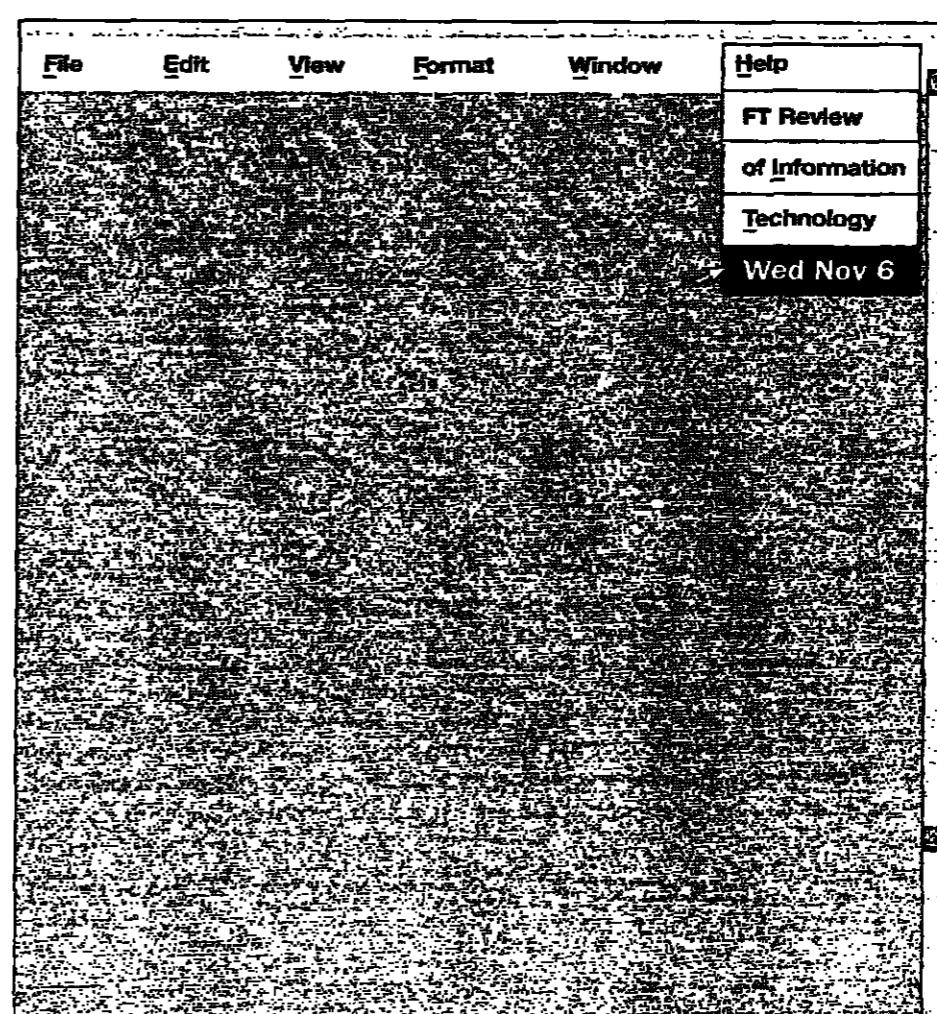
J.E. Spence,
Castle View Farm,
Brinshurst,
Nr Market Harborough,
Leicestershire, UK

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The FT-IT Review, the Financial Times' comprehensive update on the latest developments in information technology, will be published on Wednesday, November 6.

This month's review focuses on the digital revolution in the office, looking at the latest trends and assessing what is in store. There will be an in-depth examination of intranets and how companies are exploiting the opportunities of internetworking.

No FT, no comment.

For a pointer on what the future of IT holds, make a note of November 6.

COMMENT & ANALYSIS



The Beau Rivage Palace, a neo-baroque hotel on the shores of Lake Geneva, is a long way from the fighting in eastern Zaire. Yet the fate of the country - and conceivably much of equatorial Africa - could be determined by the state of health of the ailing dictator sheltering under its roof.

For if President Sese Seko Mobutu, reportedly stricken with prostate cancer, is unable to rally his retreating army, Zaire could disintegrate. The rebel Banyamulenge are now close to annexing a swathe of Kivu province, and the resulting turmoil might extend as far as Zambia in the south, Angola in the south-west, and Uganda and Tanzania in the east.

But the 66-year-old president has barely reacted to events in Kivu, except to exhort his nation to greater efforts. He has shown no signs of cutting short his stay in Switzerland to return to the country he has led for more than 30 years.

Nor has he dispatched the elite presidential guard, normally summoned in times of crisis, to Kivu where the regular army is living up to its reputation as Africa's most indisciplined force. The truth is that, illness aside, President Mobutu's power has been on the wane for years.

Observers have long marveled that Zaire, Africa's

second-largest nation and home to more than 200 tribes, has remained unified for so long. There have already been several secession wars over Shaba, the copper and cobalt-mining province bordering Zambia - including one immediately after the country became independent from Belgium in 1960. Shaba declared itself autonomous from Kinshasa a few years ago.

Basal, the diamond-rich central province, is overwhelmingly loyal to Mr Etienne Tshisekedi, the opposition leader. Residents refuse to use currency printed by the central bank and would also dearly like to break away.

That Zaire has not already been consumed by an enormous conflagration owes much to the president's personality. The former Lt Gen Joseph Desiré Mobutu was hailed as a savious when he seized control in 1965 as wrangling among civilian politicians threatened to split the nation.

The meteoric rise of the cook's son can be attributed to a combination of physical ruthlessness and political

cunning. Applied to the army, his coterie and opponents, his policy of divide and rule proved effective. When he could not buy out his enemies, he killed them.

Above all, he played the superpower game with consummate skill, selling himself to Washington as a bastion against Soviet encroachment on the continent. France, Belgium and Morocco intervened in the 1970s and 1980s to help crush secessionist rebels, and an array of nations, led by the US, provided arms and security assistance.

In the years that followed, he established a personal cult that has left its mark on Zaire's 38m population. In his only attempt to lend some ideological content to his rule, he launched "authenticity", a return to African roots that obliged Zaireans to abandon western suits, dresses and ties and reject Christian names - starting with his own name change.

Memorably dismissed by Mr Bernard Kouchner, the former French humanitarian aid minister, as "a walking bank balance with a leopard

skin cap", Mr Mobutu has never made a distinction between state coffers and his own funds. The leader who once told his population corruption was acceptable as long as they only "stole little" practised no such restraint. He has funnelled millions of dollars into Swiss bank accounts and Riviera residences, making Zaire one of the first states to be described as a kleptocracy.

By the 1990s, the cold war was over, democracy was sweeping Africa and the west was embarrassed by his excesses. Pressed for political reform, he showed his old skills back-pedalling, co-opting his opponents, dragging the whole transition process out for what has now been six long years.

But two rounds of armed looting in the early 1990s showed that central authority was breaking down. Although dithering by the west and the opposition allowed him to survive those challenges, Mr Mobutu's horizon shrank.

He rarely dared to spend a night in the capital Kinshasa, preferring his river-

boat or the palace built at his home village of Gbadolite, in the depths of the forest. From there he monopolised the trade in diamonds, Zaire's vital commodity collapsed during the 1980s.

Rwanda's crisis allowed him to return to the international stage. With his country hosting 1.1m Hutu refugees, western states that had scorned him needed his help - particularly France, which wanted to use Zaire as a base for Operation Turquoise, the creation of a safe haven in south-west Rwanda.

But Mr Mobutu's career-long practice of nurturing rebel movements dedicated to the overthrow of neighbouring regimes - in this case extremists fighting the Rwandans and Burundi government - may have proved his undoing. Rwanda is preparing covert action to support him have so far been hotly denied.

The Zairean president's epitaph has often been written, and it has always proved premature. This time, "the dinosaur's" luck may have run out.

Man in the News • Mobutu Sese Seko

The dinosaur at bay

Michela Wrong on the vacuum left by Zaire's ailing president

As digital television draws closer, Raymond Snoddy asks whether BSkyB will have too much control

Decoding Murdoch's vision in the sky

Some time next September an Ariane rocket is due to blast off from French Guyana carrying an enormous digital television satellite for SES, the Luxembourg-based satellite operator.

The launch will be significant for SES, because the satellite will be placed in a new orbital position. This is capable of accommodating several more of the company's satellites with the ability to broadcast thousands of television channels across Europe.

But the September launch will be even more important for Mr Rupert Murdoch, chairman of News Corporation, and the future of the UK television business. It will allow Mr Murdoch to launch digital satellite broadcasting, which will offer UK viewers the choice of hundreds of channels of sport and entertainment.

British Sky Broadcasting, the satellite television venture effectively controlled by News Corporation, has leased half the capacity of the new digital satellite. It will give BSkyB the ability to offer viewers up to 200 different programme services, rising to 500 in the future. Programmes on offer will include a wide range of specialist channels, plus access to pay-per-view feature films and exclusive pay-per-view sport.

The aim is to devote as many as 60 channels to the top 10 films, each broadcast on several channels at staggered intervals. Viewers will always be only 20 or 30 minutes away from the start of the films they want to watch.

But the service that is expected to be most popular will be exclusive broadcasts of sporting events - at a price. The huge broadcasting capacity available will mean that a separate channel can be made available for each Premiership football match played in the UK on Saturday, with viewers paying for each match watched.

Viewers will need a new black box to receive the pictures - but not a new television set. These are likely to retail at about £299 (\$513) each, though BSkyB hopes to find ways to bring the cost down to between £200 and £300.

Talks are under way with British Telecommunications and Barlays Bank on using the new digital satellite service for home shopping and banking in return for subsidising black box sales.

The scale of BSkyB's plans and the dominance they could give it over the future of the broadcasting business are causing increasing alarm among some competitors and politicians. The main anxiety is BSkyB's lead in getting its decoders into homes, which will make Mr Murdoch the effective "gatekeeper" to the new world of digital broadcasting.

But BSkyB denies that it is attempting to get a vice-like grip on the new broadcasting technology. It argues that, as a "packager" of entertainment, it wants to encourage as many channels as possible to attract viewers.

The satellite company says it could have easily limited the amount of digital opposition it faces by buying capacity at Astra's existing orbital position - a slot that is nearly full.

In fact, Mr Murdoch's greatest weapon is probably not technology but the exclusive programme rights he has acquired. BSkyB's close relationships with the football clubs and the Hollywood studios mean BSkyB is in a strong position to negotiate pay-per-view rights for the new services.

Some competitors have identified BSkyB's subscriber management system as another source of unfair advantage. They worry that it will be overcharged if they use the system and say it would be too expensive to set up their own.

But BSkyB says it has done nothing to offend believers in fair competition. It acquired the Premiership rights in an open competition. And its subscriber management service is available to others on normal commercial terms. News Digital Systems, the News Corp technology subsidiary, has already licensed encryption systems to Murdoch rivals in other parts of the world.

"All Rupert Murdoch is guilty of is having the guts and vision to start all this in the first place and nearly bankrupting his company along the way," says Mr Sam Chisholm, chief executive of BSkyB.

A single box capable of handling both forms of digital televisi-

tion may not be that far away. Pace Electronics, a company likely to be chosen as an approved digital decoder manufacturer by BSkyB, says the extra cost is only between £20 and £30.

And with BSkyB also considering applying for digital terrestrial frequencies, this will raise further fears that Mr Murdoch will have a stranglehold on both forms of digital broadcasting.

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In fact, Mr Murdoch's greatest weapon is probably not technology but the exclusive programme rights he has acquired. BSkyB's close relationships with the football clubs and the Hollywood studios mean BSkyB is in a strong position to negotiate pay-per-view rights for the new services.

Some competitors have identified BSkyB's subscriber management system as another source of unfair advantage. They worry that it will be overcharged if they use the system and say it would be too expensive to set up their own.

But BSkyB says it has done nothing to offend believers in fair competition. It acquired the Premiership rights in an open competition. And its subscriber management service is available to others on normal commercial terms. News Digital Systems, the News Corp technology subsidiary, has already licensed encryption systems to Murdoch rivals in other parts of the world.

"All Rupert Murdoch is guilty of is having the guts and vision to start all this in the first place and nearly bankrupting his company along the way," says Mr Sam Chisholm, chief executive of BSkyB.

A single box capable of handling both forms of digital televisi-

Made to sing for their supper

London orchestras are fighting it out for funding, says Antony Thorncroft

The news that Christoph von Dohnányi becomes music director of the Philharmonia at a time of cut-throat competition

Paul Cheshire

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Pound rallies

MARKETS REPORT

By Graham Bowley

The Swiss franc fell on the foreign exchanges again yesterday amid growing concerns that moves by the Swiss authorities to suspend banking secrecy laws might trigger a flow of money abroad.

The pound rounded off another strong week - which included a quarter-point rise in interest rates to 6 per cent on Wednesday - with further gains against both the D-Mark and the dollar. Sterling closed at a 31-month high on a trade-weighted basis, buoyed by signs that the UK economy is growing firmly but with low inflation.

The pound fell after comments by Mr Lloyd Brasier, former US treasury secretary, and a weaker than expected employment report. The report suggested a rise in US interest rates was less

likely, while Mr Bentzen said that a stronger dollar was not in the country's interest.

But the currency recovered some of its losses after Mr Robert Rubin, present US treasury secretary, repeated his backing for a strong dollar.

The D-Mark weakened against the yen after Mr Ernst Weitke, a Bundesbank council member, said that a weaker D-Mark against the yen would help German industry.

measures to reduce its budget deficit to qualify for a single currency.

The dollar closed in London against the D-Mark at DM1.6165 compared with DM1.6153 at the previous close. It finished at Y113.59 against the yen.

Trading in most European currencies was quiet with several continental European countries on holiday.

However, the Italian lira strengthened as it continued to benefit from the European Commission's decision to back France's controversial

the previous close.

The Swiss franc fell again yesterday, weakening against both the D-Mark and dollar, as euroswiss futures dropped about 20 basis points, a large move for one day's trading.

The Italian lira benefited again from rising expectations that Italy would be more likely to qualify for European monetary union following the European Commission's decision to allow

pension fund transfers to

reduce France's budget deficit.

Traders said this increased the likelihood that Italy would be able to meet the budget criteria for ECU.

Mr Chris Turner, currency analyst at BZW in London, said there was now a case building for a rebound in the yen against the dollar.

"The G3 consensus in

favour of a weak yen is fraying at the edges," he said. He predicted that the dollar could be back at Y110 by the end of the year.

But the dollar weakened in yesterday's trading, following Mr Bentzen's comments.



Source: Ecol

POUND SPOT FORWARD AGAINST THE POUND

| Nov 1 | Closing mid-point | Change on day | Bid/offer spread | Day's mid-point | One month | One month | Three months | One year | Bank of |
|--|-------------------|---------------|------------------|-----------------|-----------|-----------|--------------|----------|----------|
| | | | | high | low | Rate %PA | Rate %PA | Rate %PA | Rate %PA |
| Europe | | | | | | | | | |
| Austria | (Sch) 14,655 | +0.1289 | 543 - 768 | 17,500 | 17,384 | 17,422 | 17,385 | 17,385 | 104.8 |
| Belgium | (Bel) 1,0385 | +0.2673 | 266 - 288 | 51,140 | 50,830 | 51,022 | 2.3 | 50,757 | 3.0 |
| Denmark | (DKM) 9,5392 | +0.337 | 337 - 446 | 9,586 | 9,4904 | 9,5192 | 2.5 | 9,4787 | 2.5 |
| Finland | (FM) 7,4401 | +0.6028 | 462 - 472 | 7,4720 | 7,3860 | 7,420 | 7,3937 | 7,3937 | 107.0 |
| France | (FF) 6,3892 | +0.071 | 844 - 939 | 8,4235 | 8,3702 | 2.7 | 8,3314 | 2.8 | 106.8 |
| Germany | (D) 2,4869 | +0.1529 | 811 - 819 | 2,4681 | 2,4771 | 3.0 | 2,4844 | 2.0 | 107.9 |
| Greece | (GR) 1,0359 | +0.0559 | 720 - 730 | 1,0359 | 1,0359 | 0.4 | 1,0359 | 0.4 | 105.5 |
| Ireland | (IE) 0,9988 | +0.0115 | 978 - 987 | 1,0069 | 0,9879 | 0,9985 | 0.4 | 0,9875 | 0.5 |
| Italy | (IT) 1,2411 | +0.272 | 003 - 386 | 2,4954 | 2,4954 | 7.8 | 2,5032 | 1.8 | 250,74 |
| Luxembourg | (L) 51,1571 | +0,3673 | 223 - 268 | 51,4140 | 50,8330 | 51,0221 | 3.0 | 50,7671 | 3.1 |
| Netherlands | (NL) 2,7877 | +0.261 | 863 - 880 | 2,7878 | 2,7685 | 3.1 | 2,7655 | 3.2 | 103.1 |
| Norway | (NO) 1,0340 | +0.0559 | 102 - 103 | 1,0340 | 1,0340 | 1.0 | 1,0340 | 1.0 | 104.4 |
| Portugal | (PT) 2,5107 | +0.24 | 804 - 806 | 2,5107 | 2,5107 | 0.3 | 2,5107 | 0.3 | 105.7 |
| Spain | (ES) 2,0925 | +0.1445 | 884 - 894 | 2,120 | 2,0925 | 208.19 | 0.9 | 208.42 | -0.8 |
| Sweden | (SEK) 10,7829 | +0,0932 | 721 - 739 | 10,8165 | 10,7065 | 10,7817 | 0.1 | 10,7799 | 0.2 |
| Switzerland | (SFR) 2,0522 | +0,0326 | 808 - 835 | 2,0914 | 2,0638 | 2,0748 | 4.4 | 2,0395 | 4.4 |
| UK | (G) 1,2342 | +0,0068 | 930 - 953 | 1,2362 | 1,2323 | 1.8 | 1,2373 | 2.0 | 12664 |
| EU | - | - | - | - | - | - | - | - | 90.9 |
| GDPY | - | - | - | - | - | - | - | - | 1,12623 |
| Americas | | | | | | | | | |
| Argentina | (Peso) 1,6368 | +0,0088 | 903 - 912 | 1,6362 | 1,6202 | - | - | - | - |
| Brazil | (BRL) 1,6822 | +0,0098 | 820 - 835 | 1,6868 | 1,6715 | - | - | - | - |
| Canada | (C\$) 1,2185 | +0,0227 | 855 - 875 | 2,1761 | 2,1814 | 2.8 | 2,1705 | 3.4 | 88.4 |
| Mexico (New Peso) | 13,0404 | +0,0161 | 513 - 548 | 13,0967 | 12,9533 | - | - | - | - |
| USA | (US) 1,0362 | +0,002 | 371 - 380 | 1,0362 | 1,0368 | 0.7 | 1,0347 | 0.7 | 97.0 |
| Pacific/Middle East/Africa | | | | | | | | | |
| Australia | (A\$) 0,7062 | +0,0228 | 749 - 774 | 0,7075 | 0,7075 | 0.7 | 0,7082 | -0.8 | 93.5 |
| Hong Kong | (HK\$) 12,6515 | +0,0702 | 572 - 658 | 12,7072 | 12,5758 | 12,6542 | 0.7 | 12,6403 | 0.7 |
| India | (INR) 58,7878 | +0,0473 | 322 - 323 | 58,7233 | 58,0362 | - | - | - | - |
| Israel | (ILS) 5,0009 | +0,0118 | 237 - 254 | 5,0771 | 5,0771 | 0.5 | 5,0771 | 0.5 | 107.0 |
| Japan | (Y) 130,0009 | +0,0055 | 505 - 510 | 130,0009 | 130,0009 | 165.119 | 5.7 | 163,259 | 5.8 |
| Malaysia | (M) 4,1398 | +0,0254 | 738 - 747 | 4,1557 | 4,1104 | - | - | - | - |
| New Zealand | (NZD) 2,3112 | +0,0081 | 094 - 129 | 2,3184 | 2,3004 | 2,3179 | -3.5 | 2,3274 | -1.6 |
| Philippines | (Peso) 43,0431 | +0,2487 | 739 - 742 | 43,1122 | 42,9799 | - | - | - | - |
| Saudi Arabia | (SR) 6,1417 | +0,0344 | 383 - 450 | 6,1630 | 6,1001 | - | - | - | - |
| Singapore | (SGD) 2,2085 | +0,0121 | 507 - 520 | 2,2154 | 2,2092 | - | - | - | - |
| South Africa | (ZAR) 23,40 | +0,3636 | 1,388 - 1,406 | 2,1275 | 2,1275 | - | - | - | - |
| South Korea (Won) | (W) 1360,49 | +0,72 | 979 - 979 | 1,361,15 | 1,341,85 | - | - | - | - |
| Taiwan | (T\$) 45,0408 | +0,1946 | 875 - 891 | 45,2110 | 44,8236 | - | - | - | - |
| Thailand | (THB) 41,7605 | +0,2481 | 608 - 609 | 41,9190 | 41,5110 | - | - | - | - |
| EURO | - | - | - | - | - | - | - | - | 105.0 |
| Ecu | - | - | - | - | - | - | - | - | 100.0 |
| Danish Krone, French Franc, Norwegian Krone, and Swedish Krone per 100: Belgian Franc, Yen, Escudo, Lira and Peseta per 100. | | | | | | | | | |

* Rates for Oct 31. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Euro rate 1990 = 100. Index rebased 1/2/95. Bid/offer and mid-rates in the bid and the Zulu Spot table derived from THE MARKETS CLOSING SPOT RATES. Some values are rounded by the FT.

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

| Nov 1 | BFR | DKK | DM | FF | IE | L | FI | Nkr | Es | Pts | SKr | SFr | E | CS | S | Y | Ecu |
|---------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-----|
| Belgium | (BFR) 100 | 18,65 | 18,40 | 4,883 | 1,951 | 4,869 | 5,450 | 20,43 | 4,908 | 40,85 | 21,07 | 4,070 | 4,4273 | 3,202 | 363,8 | 2,529 | |
| Denmark | (DKK) 53,63 | 8,794 | 8,703 | 1,045 | 2,611 | 2,191 | 11,30 | 2,183 | 1,045 | 2,292 | 1,717 | 19,50 | 1,367 | 1,050 | 1,367 | 1,367 | |
| France | (FF) 60,88 | 1,137 | 1,092 | 0,022 | 1,022 | 1,022 | 12,48 | 2,482 | 1,192 | 2,808 | 1,853 | 221,7 | 2,808 | 1,853 | 221,7 | 2,808 | |
| Germany | (D) 61,92 | 3,797 | 3,797 | 0,022 | 3,797 | 3,797 | 10,47 | 2,482 | 1,192 | 2,808 | 1,853 | 221,7 | 2,808 | 1,853 | 221,7 | 2,808 | |
| Italy | (I) 61,26 | 8,588 | 8,408 | 2,488 | | | | | | | | | | | | | |

UNIT TRUSTS

■ WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR

| | Jupiter European |
|----------------------------|------------------|
| Johnson Matthey | 1,500 |
| NorthWest US Smaller Cos | 1,403 |
| Save & Prosper Energy Ind | 1,380 |
| Hill Samuel US Smaller Cos | 1,362 |
| Jupiter European | 1,349 |

BOTTOM FIVE OVER 1 YEAR

| | Jupiter European |
|-------------------------|------------------|
| GT Korean Securities | 620 |
| Save & Prosper Korea | 636 |
| Baring Korea | 654 |
| Old Mutual Thailand Acc | 670 |
| Schroder Seoul | 715 |

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

■ Indices

| | 1 year | 3 | 5 | 10 | Volatility Yrs% |
|--------------------------|--------|-------|-------|-------|-----------------|
| Average Unit Trust | 1,000 | 1,173 | 1,728 | 2,545 | 3.7 2.6 |
| Overall Investment Trust | 1,012 | 1,220 | 1,873 | 3,109 | 6.0 6.0 |
| Bank | 1,034 | 1,113 | 1,224 | - | 0.0 4.0 |
| Building Society | 1,035 | 1,118 | 1,244 | 1,915 | 0.8 3.8 |
| Stockmarket FT All Share | 1,172 | 1,379 | 1,874 | 3,309 | 3.3 3.8 |
| SECTOR AVERAGE | 1,024 | 1,104 | 1,453 | 1,855 | 0.4 |

■ UK Growth

| | 1 year | 3 | 5 | 10 | Volatility Yrs% |
|------------------------------|--------|-------|-------|-------|-----------------|
| Jupiter UK Growth | 1,210 | 1,676 | 2,462 | - | 3.7 1.9 |
| Johnson Matthey | 1,500 | 1,622 | 2,267 | - | 3.9 0.7 |
| Credit Suisse Fellowship Ind | 1,197 | 1,616 | - | - | 3.6 1.2 |
| Sanwa UK Growth | 1,216 | 1,553 | - | - | 3.6 1.8 |
| Barclays Unit Leisure | 1,195 | 1,547 | 1,737 | 2,185 | 3.8 0.7 |
| SECTOR AVERAGE | 1,122 | 1,297 | 1,758 | 2,687 | 3.5 1.9 |

■ UK Growth & Income

| | 1 year | 3 | 5 | 10 | Volatility Yrs% |
|------------------------------|--------|-------|-------|-------|-----------------|
| Mercury UK Equity | 1,148 | 1,407 | 2,003 | 3,965 | 3.4 2.4 |
| Prolific UK Blue Chip | 1,159 | 1,396 | 2,023 | - | 3.5 2.9 |
| Save & Prosper Exempt Income | 1,154 | 1,578 | 1,688 | 2,955 | 3.4 3.6 |
| Guardian Gains | 1,117 | 1,372 | 1,816 | 2,866 | 3.5 1.4 |
| Lazard UK Income & Growth | 1,103 | 1,369 | 1,807 | 2,922 | 3.4 2.4 |
| SECTOR AVERAGE | 1,085 | 1,237 | 1,684 | 2,659 | 3.4 2.9 |

■ UK Smaller Companies

| | 1 year | 3 | 5 | 10 | Volatility Yrs% |
|-------------------------------|--------|-------|-------|-------|-----------------|
| Laurence Klein Smaller Cos | 1,327 | 1,821 | - | - | 3.4 1.1 |
| Gertrude UK Smaller Companies | 1,227 | 1,816 | 1,984 | 3,001 | 3.8 0.5 |
| INSECO UK Smaller Companies | 1,323 | 1,747 | 2,209 | 2,949 | 4.6 0.8 |
| AES Smaller Companies | 1,247 | 1,693 | 2,181 | - | 3.6 0.7 |
| Hill Samuel UK Emerging Cos | 1,244 | 1,675 | 3,210 | - | 3.5 0.7 |
| SECTOR AVERAGE | 1,227 | 1,331 | 1,844 | 2,740 | 3.8 1.5 |

■ UK Equity Income

| | 1 year | 3 | 5 | 10 | Volatility Yrs% |
|--------------------------|--------|-------|-------|-------|-----------------|
| Jupiter Income | 1,172 | 1,622 | 2,819 | - | 3.6 4.3 |
| GT Income | 1,170 | 1,440 | 2,327 | 3,783 | 3.4 4.1 |
| BWD UK Equity Income | 1,155 | 1,395 | 1,932 | 2,558 | 3.5 3.9 |
| Britannia High Yield Inc | 1,184 | 1,385 | 2,056 | - | 3.4 3.9 |
| Lazard UK Income | 1,122 | 1,384 | 1,887 | 3,381 | 3.3 5.0 |
| SECTOR AVERAGE | 1,073 | 1,199 | 1,575 | 2,371 | 3.4 4.8 |

■ UK Equity & Bond Income

| | 1 year | 3 | 5 | 10 | Volatility Yrs% |
|--------------------------------|--------|-------|-------|-------|-----------------|
| Prolific Extra Income | 1,119 | 1,298 | 1,788 | 2,942 | 3.0 4.6 |
| Baillie Gifford Conv & General | 996 | 1,220 | 2,051 | 2,883 | 3.0 5.0 |
| CU PPT High Yield | 1,128 | 1,201 | 1,682 | 3,005 | 3.4 5.8 |
| N&P Higher Income | 1,105 | 1,199 | 1,617 | 3,004 | 3.0 4.4 |
| Cazenove UK Equity & Bond | 1,072 | 1,194 | - | - | 3.8 2.2 |
| SECTOR AVERAGE | 1,056 | 1,123 | 1,559 | 2,410 | 2.8 5.6 |

■ UK Equity & Bond Income

| | 1 year | 3 | 5 | 10 | Volatility Yrs% |
|-------------------------------|--------|-------|-------|-------|-----------------|
| Newton Intrepid | 1,097 | 1,285 | - | - | 3.7 1.7 |
| NPI Worldwide Income Inc | 1,112 | 1,272 | 1,773 | - | 2.9 1.4 |
| Bank of Ireland Ex Mgd Growth | 1,074 | 1,271 | 1,676 | - | 2.8 3.0 |
| Thomson Dresdner Europe Ind | 996 | 1,086 | - | - | 1.6 5.7 |
| Old Mutual Worldwide Bond Ind | 1,023 | 1,083 | 1,437 | - | 2.1 4.8 |
| SECTOR AVERAGE | 992 | 1,008 | 1,380 | 1,649 | 1.9 5.4 |

■ International Growth

| | 1 year | 3 | 5 | 10 | Volatility Yrs% |
|-----------------------------|--------|-------|-------|-------|-----------------|
| Prolific Technology | 1,073 | 1,926 | 2,945 | 5,604 | 5.9 |
| Framlington Health | 1,213 | 1,708 | 2,206 | - | 6.4 |
| Henderson Global Technology | 940 | 1,510 | 2,469 | 4,910 | 5.5 |
| Scoot Equitable Technology | 1,061 | 1,498 | 2,217 | 4,272 | 4.1 0.2 |
| Save & Prosper Growth | 1,180 | 1,452 | 2,596 | 3,672 | 3.8 1.7 |
| SECTOR AVERAGE | 1,058 | 1,145 | 1,686 | 2,337 | 3.6 1.0 |

■ International Equity & Bond

| | 1 year | 3 | 5 | 10 | Volatility Yrs% |
|-------------------------------|--------|-------|-------|-------|-----------------|
| Newton Intrepid | 1,097 | 1,285 | - | - | 3.7 1.7 |
| NPI Worldwide Income Inc | 1,112 | 1,272 | 1,773 | - | 2.9 1.4 |
| Bank of Ireland Ex Mgd Growth | 1,074 | 1,271 | 1,676 | - | 2.8 3.0 |
| Thomson Dresdner Europe Ind | 996 | 1,086 | - | - | 1.6 5.7 |
| Old Mutual Worldwide Bond Ind | 1,023 | 1,083 | 1,437 | - | 2.1 4.8 |
| SECTOR AVERAGE | 992 | 1,008 | 1,380 | 1,649 | 1.9 5.4 |

■ International Growth

| | 1 year | 3 | 5 | 10 | Volatility Yrs% |
| --- | --- | --- | --- | --- | --- |

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FT MANAGED FUNDS SERVICE

- FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Authorised and Insurances

FT MANAGED FUNDS SERVICE

Insurances, Money Markets and Other

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on 1-44 171) 873 4378 for more details.

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• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE
AND OVERSEAS
BERMUDA
(SIB RECOGNISED)

Initial Net Asset Value

Last Net Asset Value

Change

Date

Price

Yield

Type

Last Date

Price

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

| NORTH AMERICA | | | | | | | | | | EUROPE | | | | | | | | | | ASIA/PACIFIC | | | | | | | | | | | |
|-----------------------------|----------|----------|----------|---------|-------------------------|---------|--------|--------|--------|---------------------|---------|---------|---------|---------|----------------------|---------|------|---|---|------------------------|--------------------|---------|---------|---------|--------------------------|-----|---------|------|---|--|--|
| UNITED STATES (Nov 1/ US\$) | | | | | CANADA (Nov 1/ Can. \$) | | | | | GERMANY (Nov 1/ DM) | | | | | FRANCE (Oct 31/ Frs) | | | | | SWEDEN (Nov 1/ Kroner) | | | | | AUSTRALIA (Nov 1/ AUS\$) | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | | |
| Argentina | 16742.86 | 16746.42 | 16881.95 | 205 | 15297.25 | 226 | | | | Japan | 1557.57 | 1550.55 | 1562.65 | 1722.33 | 256 | 1594.12 | 13/3 | | | | Japan | 1557.57 | 1550.55 | 1562.65 | 1722.33 | 256 | 1594.12 | 13/3 | | | |
| Argentina | 13.77 | | | | | | | | | Topex/US\$ | 2003.77 | 2022.53 | 2025.77 | 2251.48 | 27 | 1662.78 | 14/3 | | | | Topex/US\$ | 2003.77 | 2022.53 | 2025.77 | 2251.48 | 27 | 1662.78 | 14/3 | | | |
| Australia | 309.4 | 350.02 | 200.62 | 2277.69 | 2410 | 2085.10 | 17/7 | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| All America/1:30 | 501.1 | 948.5 | 346.5 | 1116.40 | 85 | 922.10 | 23/9 | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| Austria | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| Austria | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| Austria | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| Austria | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| Austria | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| Austria | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| Austria | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| Austria | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| Austria | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
| Austria | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | 136.00 | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | | ASX Composite/US\$ | 1172.48 | 1182.31 | 1160.24 | 1186.84 | 304 | 952.18 | 3/1 | | | |
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WORLD STOCK MARKETS

Dow flat after post-data volatility German bulls expect Dax to reach 3,000

AMERICAS

US shares were mostly flat at mid-session after a volatile morning that saw the market jump on employment figures that were in line with expectations, before prices fell victim to profit-taking, writes Lisa Brennen in New York.

The Dow Jones Industrial Average climbed more than 28 points in the first few moments of trading, supported by bond prices, which soared after the Labor department said that employment growth was only modestly stronger than expectations, while wages

held steady. Both markets, however, gave way at mid-morning as investors took some profits after the gains seen late on Thursday and early yesterday.

By 1pm, the Dow Jones Industrial Average was off 10.44, at 6,018.94; the Standard & Poor's 500 fell 1.27 at 708.90, while the American Stock Exchange composite added 3.38 at 572.11. NYSE volume was 27.3m shares.

Technology shares were mostly flat with the Nasdaq composite 1.84 stronger at 1,223.85 and the Pacific Stock Exchange technology index up 0.3 per cent.

In individual shares,

Chrysler was off \$1, at \$33.93 after announcing strong October sales figures that were in line with expectations. The tiny downturn came after a 17 per cent rise in the automaker's shares over the last month.

Sales reports from the other two of the big three car makers were due later yesterday and next week. Ford slipped \$1.50 at \$30.95 and General Motors was unchanged at \$33.75.

Boeing slipped \$3 to \$93.45 after reports that its next generation of 747 aircraft could cost as much as 40 per cent more to develop than the company had estimated.

Circuit City, the car and electronics retailer, climbed \$2.4, or 7 per cent, to \$36 on news that it would create a separate class of shares for its CarMax discount car division.

TORONTO edged lower at mid-session as weaker gold and commodity prices offset gains in bank shares. The TSE-300 composite index was 11.72 down at 5,587.10 in volume of 42.4m shares.

Interplex Polymer Group dropped C\$2.40 to C\$28.50 after Dean Witter downgraded the stock.

MEXICO CITY was carried further ahead by a spurt of Thursday's momentum of

and the IPC index was 24.68 higher by mid-session at 8,238.01. Analysts said that support came from a calmer outlook for the peso and budget proposals, unveiled on Thursday, that were expected to benefit the construction industry.

SAO PAULO was higher, but investors were still inhibited by Thursday's air crash in which bank and company executives were killed. The Bovespa index rose 556 to 65,887 while TAM, the airline which operated the Fokker-100 aircraft which crashed, recouped 5.9 per cent after Thursday's 22.3 per cent markdown.

Intertek Polymer Group dropped C\$2.40 to C\$28.50 after Dean Witter downgraded the stock.

THURSDAY'S

Muted response to Swiss franc slide

EUROPE

Several bourses were closed for All Saints day. The continuing slide in the Swiss franc against the dollar and other European currencies drew a muted response from ZURICH and the SMX index rose 10.8 to 3,785.1.

Swiss Re benefited from its upbeat profits outlook and gained SMX7 to 3,785.6 while, in a firmer banking sector, UBS shook off recent weakness to add SMX7 at SMX120.

Swissair bounced higher after Thursday's uncertain session, reflecting satisfaction with the company's forthright approach to dealings with Belgium's Sabena, in which the Swiss carrier has a 45 per cent holding.

Analysts also suggested that it was likely to be in the best interests of Swissair's new management to write off some, or all, of its investment in Sabena sooner rather than later. A write-off against the current year's figures would have the advantage of leaving a clean sheet for 1997, said one. The shares rose SMX9 to SMX94.

SMX rose SMX15 to SMX700 on renewed demand prompted by positive US press comment.

Adeco slid 2.3 per cent in early trade before recovering to close flat at SMX355. The company, the product of a merger between Adia and France's Ecco, postponed

until next week its first ever quarterly earnings statement, originally planned for yesterday when Paris was closed.

AMSTERDAM was distracted by the debut of Endemol Entertainment. The TV production company, known for soap operas and quiz shows and whose share offer was 25 times oversubscribed, closed at SMX50, a premium of SMX5.0.

The AEX index rose 4.29 to SMX14.90. Royal Dutch continued lower, the oil company losing another SMX3.50 at SMX76.70 after a drop of SMX5.0 earlier this week.

Unilever, however, rose SMX4.20 to SMX2.20 ahead of next Friday's third-quarter figures.

STOCKHOLM closed at midday, relatively upbeat.

THE WEEK'S CHANGES

% Change

Athens +1.7

Zurich -0.6

Frankfurt -0.7

Stockholm -1.4

Amsterdam -1.5

Helsinki -1.7

With Pharmacia & Upjohn recovering after Thursday's heavy losses and Ericsson coming back from a three-day fall, the AEX index ended 10.8 higher at 2,150.1.

P&U, which issued a profit warning three weeks ago and had to tell analysts on

Thursday that their 1997 earnings projections were 10 per cent too high, recovered SMX7.50 higher at SMX237 after Thursday's SMX1.50 drop.

However, analysts did not believe that the shares would rebound further, saying that the sell side was still strong. In New York, they were trading 50 cents lower at \$35 at the end of the European afternoon.

ERICSSON was gained SMX50 at SMX183.50 after a strong performance on Wall Street overnight and following a three-day drop of SMX11. Here, the swings looked technical rather than fundamental, given that the shares had previously seen a three-month climb of 54 per cent.

HELSINKI was cheered by the US unemployment data, but a fall of 0.9 per cent in the forestry sector dragged the broad market down, the Hax index closing 4.65 lower at 2,197.85.

Analogic mobile phone maker Benefon soared SMX11, or over 18 per cent, to SMX22.

Construction and industrials climbed amid expectations that the Greek govern-

ment was planning to tax interest earned on treasury bills and derivatives such as swaps and options and to revamp the tax status of mutual funds as the market awaited the 1997 budget.

MOSCOW was mixed, with foreign investors said to be abstaining from buying ahead of President Boris Yeltsin's heart operation. The Moscow Times index finished 0.66 higher at 320.72. Commenters by presidential spokesman suggested that the operation could be carried out in the next few days.

Meanwhile TT Tieto, the high-flying data service group, rose another SMX4.60 to SMX30.10 on a median analysts' forecast of nearly doubled profits when its nine-month figures come out next Wednesday.

COPENHAGEN was hit by the collapse of 1997 budget negotiations between the government and the opposition conservative party. With dealers fearing further falls due to political unrest, the KPIX index lost 0.71 at 125.23 in turnover of DKK160.

ATHENS extended its latest upturn by a percentage point, the general index rising 9.57 to 938.12 and brokers saying that if the key index broke through the 945 resistance level it could soon be heading for the 950 mark.

The overall index lost 3.9 to 6,971.4, industrials shed 15.1 to 8,194.1 and golds dropped 9.8 to 1,722.5.

Even so, much needs to happen before the German

stock market matches its potential based on high savings and the strength of the economy. "A more developed equity culture, such as that of the UK and North America, is still absent in Germany," says Mr Conen.

The Telekom issue should

help change this by promoting awareness of equities in a country where financial assets have suffered this century from wars, hyperinflation and currency reform. The fact that the Dax, which closed yesterday at 2,683.25 (up 0.9 per cent on the day), has gained 19 per cent this year does not mean that German equities trading has attained anything like its due weight in the economy.

Market capitalisation in relation to gross domestic product is a lowly 24 per cent compared with 90 per cent in the US and 122 per cent in the UK. But change is definitely on the way, with the impending partial privatisation of Deutsche Telekom likely to provide a powerful impetus.

This share issue - Europe's biggest ever at around DM15 billion - looks set to be a success, judging by advance expressions of interest by normally equity-shy private investors. Barring an unforeseen collapse in financial markets, the initial public offering (IPO) could thus do for the stock market what a previous Volkswagen (people's share) in Volkswagen promised, but failed to do in the early 1960s.

Thus says Mr Ralf Conen, German equities strategist at Salomon Brothers, this huge IPO "is generally considered as an opportunity rather than a risk for the German equity market". A year or so ago, there was anxiety that Telekom would soak up all the liquidity. "But in the meantime, perceptions have changed and there is a long list of companies on the way to the market," Mr Conen adds.

A steady flow of such issues is needed to give more depth to a market in which the 30 Dax stocks - including the big motor, chemical, electronics, banking and insurance groups - account for half the issued capital, two-thirds of market capitalisation and 85 per cent of the free float. Eight stocks alone account for around 50 per cent of both the free

float and turnover. But while a greater selection of stocks would make the market more attractive to private and institutional investors, anyhow, make much of the running in German shares - fundamental changes to the German social security system would be the real clincher. If Anglo-Saxon type pension funds were introduced, equity investment would receive a big impetus.

Bankers are pushing for

this and many politicians

are aware that the creaking state pension system is heading for a crisis in relation to the workforce increases.

Mr Conen expects a streamlining of Germany's unwieldy social security and tax systems, as well as more deregulation and efforts to streamline the bureaucracy.

"The capital markets, in particular the equity side, will be the greatest beneficiary of these changes," he says.

He is looking for the Dax to reach 3,050 by the end of 1997. Also expecting the market's rise to continue is Mr Günther Diermann, equities strategist at Deutsche Morgan Grenfell. On the basis of favourable earnings estimates, "we conservatively expect the Dax to near the 3,000 mark in 12 months". It could go higher if the dollar moves much above DM1.50 and thus helps exporters.

"The upturn is intact and the market is not overbought," he says. Interest rates remain low and the economy is recovering.

Germany

Dax Index

This will encourage more IPOs by family-owned Mittelstand (medium-sized) companies, big concerns seeking to spin off peripheral businesses and federal and state authorities wanting to raise money through privatisations of utilities, airports and other operations. Last year's IPO was a record DM8bn, including such well-known names as Merck in pharmaceuticals and Adidas in sportswear. This year has also seen Leica cameras come to the market.

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With a price/earnings ratio of around 16, the market is above its long-term average of 15, notes Bank Julius Bär (Deutschland). But it says the stock market is not overvalued compared with the higher valuation on the bond market. "Dax flirting with 3,000" is its upbeat view of German shares, with 2,850 points possible by the end of 1996. There is still plenty of life in those German bulls.

Tokyo firm as Seoul rebounds

ASIA PACIFIC

Advancing stock index futures led Tokyo up after a three-day losing streak, although this volume underlined the retreat of foreign investors and reluctance among domestic institutions to take positions ahead of the national holiday weekend, writes Gwen Robinson.

The Nikkei 225 index rose 16.60 to 20,638.06 after moving between 20,388.10 and 20,695.45. The Topix index of all first-section stocks added 7.02 to 1,557.57 and the capital-weighted Nikkei 300 was up 1.61 at 22,025.

Volume was estimated at 287m shares, unchanged from Thursday, as investors continued to channel funds toward the surging bond market. Advances edged out declines by 552 to 518, with 185 issues unchanged.

In London, the ISE/Nikkei 50 index fell 0.30 to 1,414.84. Traders said that the day's gains were largely technical and did not denote a shift in the negative outlook.

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd. was a co-founder of the Indices.

NATIONAL AND REGIONAL MARKETS

Figures in parentheses show number of firms of stock.

THE WEEK'S CHANGES

% Change

Hong Kong +1.1

Kuala Lumpur +0.5

Tokyo -0.5

Singapore -0.4

Seoul -3.3

the US long-bond yield and the Hang Seng index finished 51.71 ahead at 12,592.27, surpassing the previous peak of 12,510.05 reached on October 18.

Turnover picked up to close at HK\$15.50 after hitting a record high of HK\$15.70.

SHENZHEN's local currency A index dived 4.3 per cent on heavy selling triggered by an warning by the China Securities Regulatory Commission of a crackdown on excessive speculation in the market. The index closed up 4.17 at 1,172.48.

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LONDON STOCK EXCHANGE - DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. The data is now delivered by Exetel, part of Financial Times Information.

Details relate to those securities not included in the FT Share Information Services.

The prices are those at which the business was done in the 24 hours up to 5.15pm on Thursday, they are not in order of execution but in ascending order which denotes the day's highest and lowest trades.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

* Bargains at special prices. * Bargains done the previous day.

British Funds, etc.

Treasury Bills Ls 2000 - £104.48 (280c86)
£104.48 (280c86) 110% 10%

Corporate Bills Ls 2000 - £104.48 (280c86)

Exchequer Bills Ls 2000 - 110% 1%

Treasury Bills Ls 2000 - £104.48 (280c86)

Corporate Bills Ls 2000 - 110% 1%

Exchequer Bills Ls 2000 - 110% 1%

Get In Ls 2010 - 113.577 (280c86)

Corporation and County Stocks

Sabre (280c86) 8% Ls 51/2031 - 98.48 (280c86)

Standard Corp (River Wear Com) 4% Net

Funds Dab Ls 30 - 101.50 (280c86)

Foreign Stocks, Bonds etc.

Coupons Payable in London

BMA PLC 5% Cntr Bonds 2008 Fully Paid

£100.000 (280c86) 100% 10%

Cheltenham & Gloucester PLC 11% Net

Part 1 - 100.000 (280c86)

National Westminster Bank PLC 11% Und

£100.000 (280c86) 100.000 (280c86)

Tatlock Corp (Tatlock PLC) 8% Cntr Com

£100.000 (280c86) 91% 98%

Yorkshire Building Society 9% Net Bds

17/1/2000 51, (Regd) 100.000 (280c86)

Debt Issuance Programmes

British & West Building Society Cntr Flag

Re 100.000 (280c86)

Sterling Issues by Overseas Borrowers

American Express Ls 125% Ls 2000 -

Denmark (Krediton) 6% Ls 2005 -

£30.000 (280c86)

European Bank 9% Ls 2001 -

£104.427, 467 1/2 (280c86)

European Bank 11% Ls 2002 -

(Regd) - 116% (280c86)

European Investment Bank Ls 2000 -

£100.000 (280c86) 100% 10%

International Development Bank 9% Ls

2015 (Regd) - 115 (280c86)

International Finance Corp 11.5% Ls

2003 - 121.25 (280c86)

New Zealand 11% Ls 2000 (Regd) - 124%

(280c86)

Portuguese 14% Ls 2008 -

117 (280c86)

Listed Companies (excluding Investment Trusts)

Alders National PLC 10% Non-Cum Bdg Prf

Sts 51 - 100 (280c86) 5 (280c86)

Abbot Group PLC 7% Cntr Prf - 8%

£50 - 43 (280c86)

ABF Investments 5% Ls 2000 -

£100.000 (280c86)

ABF Investments 5% Ls 2000 -

£100.000 (280c86)

Aea Technology PLC Ord 100 - 3288

£100.000 (280c86) 100% 10%

Albert Fehre Group PLC ADR (10:1) - 6.84

34 (280c86)

Altron Group PLC 6.25% (Net) Cntr Cum Red

Prf 10% - 95 (280c86)

Amcor PLC 10% Cntr Cum Red

Prf 100.000 (280c86) 7% (280c86)

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Prf 100.000 (280c86) 7% (280c86)

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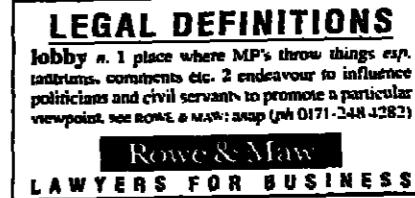
LONDON SHARE SERVICE

| INV TRUSTS SPLIT CAPITAL - Cont. | | LEISURE & HOTELS - Cont. | | PAPER, PACKAGING & PRINTING - Cont. | | RETAILERS, FOOD - Cont. | | TELECOMMUNICATIONS - Cont. | | AIM - Cont. | |
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| LEISURE & HOTELS - Cont. | LIFE ASSURANCE | PAPER, PACKAGING & PRINTING - Cont. | RETAILERS, FOOD - Cont. | TELECOMMUNICATIONS - Cont. | AIM - Cont. | AMERICANS | CANADIANS | SOUTH AFRICANS | WATER | AM | AM |
| LIFE ASSURANCE | MEDIA | RETAILERS, GENERAL | TELECOMMUNICATIONS | AMERICANS | CANADIANS | SOUTH AFRICANS | WATER | AM | AM | AM | AM |
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| GUIDE TO LONDON SHARE SERVICE | | | | | | | | | | | |
| Prices for the London Share Service delivered by Estd, part of Financial Times Information. | | | | | | | | | | | |
| Company classifications are based on those used for the FTSE Accumulated Share Index. | | | | | | | | | | | |
| Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices. | | | | | | | | | | | |
| Dividends are shown in pence per share in connection with other than sterling. This is indicated after the name. | | | | | | | | | | | |
| Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividends covers are published on Monday. | | | | | | | | | | | |
| Dividend calculation shown is calculated separately for each line of stock quoted. | | | | | | | | | | | |
| Exchange and in calendar are based on IBM 'Baseline Exports'. | | | | | | | | | | | |
| Proceedings ratios are based on latest annual reports and accounts and, where possible, are updated on Interim figures. | | | | | | | | | | | |
| Yields are based on mid-prices, no price, adjusted for a dividend in credit of 20 per cent and after value of decimal dividends and rights. | | | | | | | | | | | |
| Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with percentage discounts (D%) or premiums (P%) to the mid-prices of share price. The NAV figure covers all classes of share and is converted into pence per share, converted and where necessary rounded off. | | | | | | | | | | | |
| Highs and lows marked thus have been adjusted to allow for capital changes. | | | | | | | | | | | |
| Dividends are shown as increased, reduced, paused or deferred. | | | | | | | | | | | |
| Figures or reports are based on latest annual reports or incorporated companies listed on an approved exchange. | | | | | | | | | | | |
| First annual/interim report available, see details below. | | | | | | | | | | | |
| Dividends are shown as increased, reduced, paused or deferred and subject to some degree of regulation as listed securities. | | | | | | | | | | | |
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FINANCIAL TIMES

Weekend November 2/November 3 1996



Row deepens over move to meet Emu target

French budget measures criticised by Germany

By Gillian Tett in London

The dispute over France's attempts to qualify for a single European currency gathered pace yesterday after Germany publicly criticised Paris' budget measures.

The German statistical office issued a formal statement opposing the French government's use of FFr37.5bn (£7.6bn) pension fund transfers from France Telecom to reduce its budget deficit.

The statement, published even though yesterday was a holiday in Germany, follows the European Commission's approval of the French move on Thursday. The Commission said the decision was taken because "a large majority" of European Union states supported the French plan.

But several EU countries yesterday insisted there was no "large majority" support. The German statistical bureau said "many European member

states" supported Germany's position that it would be "economically sensible" to exclude the France Telecom payment from the budget deficit.

The row reflects growing German concern that the Commission's hasty approval of France's budget measures could lead other countries, such as Italy, to use similar measures - undermining the integrity of the single currency qualification process.

Investors are becoming worried that Germany's determination to make the single currency could lead some of its institutions, such as the constitutional court, to block the process on technical grounds.

On Tuesday, European central bank governors will meet at the European Monetary Institute to discuss countries' progress in meeting the criteria for qualifying for the single currency. The EMI and the European Commission will

then publish separate reports. In a move that will further fuel the controversy, a committee of leading European statisticians will hold an emergency meeting on Monday evening in response to the Commission's decision.

The committee does not have the power to overturn the Commission's ruling but some statisticians want to express their anger about the handling of the case.

The Commission's statistical wing, Eurostat, asked each EU country to submit an opinion on the French case last week, after Germany, Britain, the Netherlands expressed reservations about the move.

However the questionnaire was sent to some countries, including the UK, very late. And though most countries thought the deadline was Thursday lunchtime - and insist they met this - the decision was taken before some replies had been received.

President calls for ban on foreign campaign donations

By Jurek Martin in Boston

President Bill Clinton yesterday called for a ban on all US political contributions from non-citizens and the US subsidiaries of foreign companies.

He maintained that both parties were responsible for current abuses and excesses, and blamed Mr Bob Dole, the Republican presidential challenger, for blocking five of the last six bi-partisan attempts in Congress to reduce the influence of special interest money.

Mr Clinton's remarks came in the middle of a standard stump speech in Santa Barbara, California, and were his first formal comments on the growing controversy of foreign - mostly Asian - contributions to the Democratic party. At issue have been \$450,000 in legal donations from an Indonesian couple of apparently modest means but with connections to the country's

LIPPO conglomerate. The Democratic National Committee also returned a \$250,000 donation, having determined that it came directly from a Korean parent company rather than its US-based subsidiary.

Questions have been raised over another \$140,000 raised at a Buddhist temple in California in the presence of Mr Al Gore, the vice-president.

On Thursday, Ms Janet Reno, the attorney general, said she was prepared to investigate whether these donations warranted the appointment of a special counsel.

In Washington yesterday, Mr John Huang, the party fundraiser charged with generating financial support from Asian American business interests, was again cross-examined by lawyers interested in the extent of his access to the White House.

Mr Clinton made no direct reference to Mr Huang or his

activities, though he noted that Republicans also had accepted contributions from foreign sources.

He regretted that both parties were engaged in "an escalating arms race" for campaign money.

"There's too much of it," he added, pointing out that, in this election cycle, Republicans had raised \$35m against \$24m by Democrats.

Banning foreign contributions was not, he insisted, an anti-immigrant approach. "The essence of democracy is that only citizens can decide and vote... so only citizens should be able to contribute."

He said there should be "voluntary campaign spending limits", and also free TV air time for those accepting such limits.

Loser in Massachusetts Page 3; Editorial Comment, Page 8; Natural born campaigner, Page 9

Perfect end to Clinton campaign

Continued from Page 1

background reflects good luck and skilful management.

Mr Clinton entered office soon after the start of a business cycle upswing. He was almost bound to enjoy faster economic growth and a lower jobless rate than his predecessor, George Bush.

But he helped matters by taking action to cut the budget deficit in 1993.

Mr Alan Greenspan's adroit monetary management as Federal Reserve chairman has also paid dividends for the White House. By acting swiftly to raise interest rates in 1994, Mr Greenspan headed off an increase in inflation, helping to create a tranquil pre-election economy for the president this year.

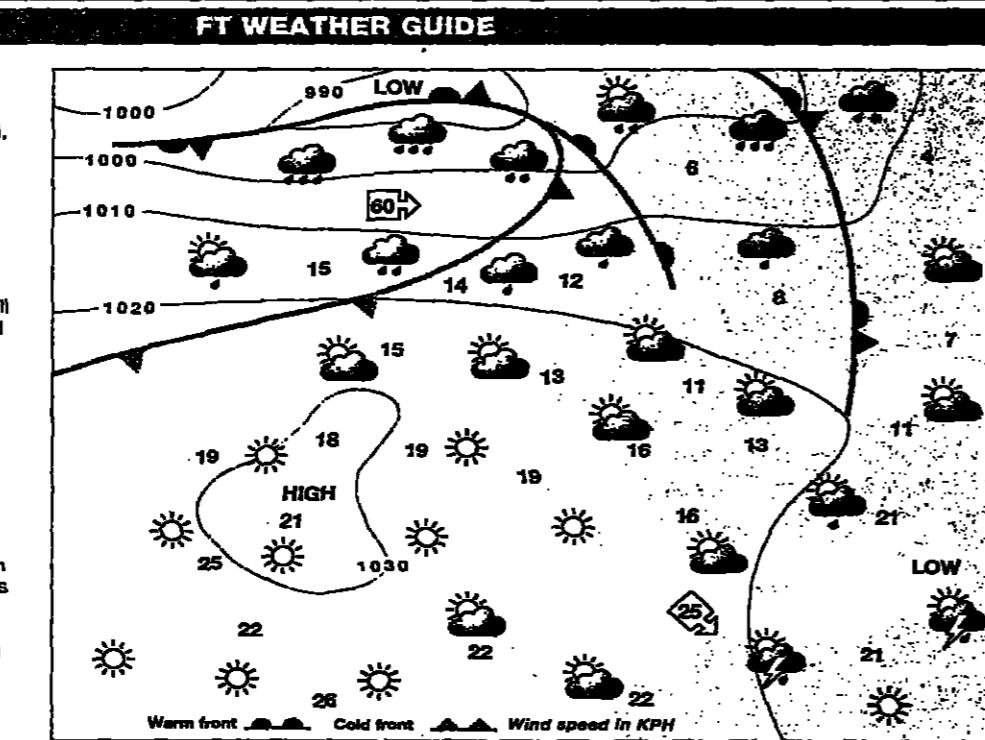
The latest data, however, confirm that not all sectors of the economy are equally buoyant. As throughout the past four years, the bulk of employment gains last month was in service industries. Manufacturing employment was flat after a big fall in September.

Purchasing managers yesterday reported a fall in their index of manufacturing activity from 51.7 per cent in September to 50.2 per cent last month, only just above the threshold that would signal a contraction of factory output.

Child labour has been one of the major social problems in impoverished Bangladesh, but it is also a big source of income for many families.

Rolf Carriere, the UNICEF representative in Dhaka, said children under the age of 15 were still being employed in 300 different types of jobs in the country.

If the agreement is effectively enforced, it could prove a model for eliminating child labour elsewhere in the region, says observers.



| TODAY'S TEMPERATURES | | | | | | | | | |
|----------------------|-----------|--------------|-----------|-----------|-----------|-------------|-----------|------------|-----------|
| Maximum | Beijing | Caracas | shower 32 | Faro | sun 26 | Rangoon | shower 33 | Rangoon | shower 33 |
| Temperature | Beijing | shower 14 | rain 15 | Frankfurt | drizz 15 | Reykjavik | cloudy 6 | Reykjavik | cloudy 6 |
| Coldest | Belgrade | fair 16 | sun 23 | Geneva | sun 14 | Malta | rain 30 | Malta | rain 30 |
| Alps | thund 21 | thund 16 | snow 16 | Vienna | sun 20 | Rome | sun 20 | Rome | sun 20 |
| Amsterdam | rain 18 | thund 22 | Beijing | thund 15 | London | shower 23 | London | shower 23 | London |
| Athens | fair 17 | Bonn | rain 18 | Dakar | sun 33 | Hamburg | rain 14 | Hamburg | rain 14 |
| Atlanta | sun 19 | Buenos Aires | rain 18 | Paris | sun 15 | Melbourne | shower 17 | Melbourne | shower 17 |
| B. B. B. | fair 21 | Buenos Aires | rain 18 | Paris | sun 15 | Paris | shower 15 | Paris | shower 15 |
| B. B. B. | shower 16 | Dublin | rain 18 | Helenski | shower 5 | Mexico City | shower 26 | Singapore | shower 31 |
| Bangkok | rain 13 | Dublin | sun 18 | Helsinki | shower 30 | Miami | fair 30 | Stockholm | cloudy 8 |
| Bangkok | rain 13 | Dubrovnik | sun 18 | Helsinki | shower 30 | Miami | fair 30 | Stockholm | cloudy 8 |
| Barcelona | sun 19 | Dubrovnik | fair 21 | Edinburgh | sun 15 | Montreal | sun 17 | Strasbourg | fair 15 |

No other airline flies to more cities in Eastern Europe.

Lufthansa

Bangladesh bans child labour in garment industry

By Kaera Maji in Dhaka

A ban on the use of cheap child labour in Bangladesh's booming garment industry came into force yesterday.

The ban was agreed as a result of intense pressure from the US - which imports 80 per cent of Bangladeshi garment exports totalling \$2.5bn in 1995-96 - and from the International Labour Organisation.

Child workers have been a major factor in the industry's spectacular growth over the past decade. Bangladesh supplies one of every two T-shirts sold in Europe and about 10 per cent of the US's imports of ready-made garments.

But a bad image in the west and a US government threat last year to prohibit imported textiles from countries employing workers aged under 14 forced the industry to act.

The agreement banning the use of children below that age has been drawn up between the Bangladeshi Garment Manufacturers and Exporters Association - the industry umbrella group - the ILO, and the UN Children's Fund.

Mr David Merrill, the US ambassador in Dhaka and one of the architects of the agreement, said: "Without child labour, Bangladeshi garments will be in a better position in the competitive international market." Industry officials pleaded for international customers to continue buying their products.

Under the agreement, signed last year, the industry will send its 10,500 child workers, mostly girls, to schools over a period of one year and will pay \$1m towards the cost.

Each child will receive a stipend of \$300 taken (\$8) per month. The ILO, UNICEF, the US government and BGMEA are sharing the cost of the rehabilitation programme.

Factories will be opened to international inspection. Businesses found using child labour would be heavily fined and, if caught a second time, could lose their export licences, said Mr Redwan Ahmed, head of BGMEA. "It is a memorable day for the garment sector of Bangladesh," he said.

Child labour has been one of the major social problems in impoverished Bangladesh, but it is also a big source of income for many families.

Rolf Carriere, the UNICEF representative in Dhaka, said children under the age of 15 were still being employed in 300 different types of jobs in the country.

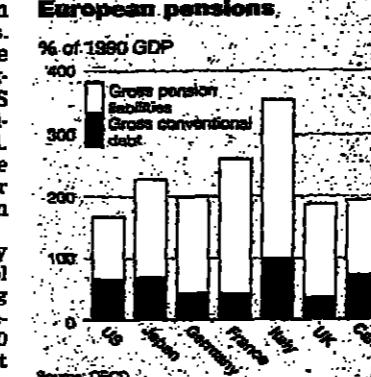
If the agreement is effectively enforced, it could prove a model for eliminating child labour elsewhere in the region, says observers.

THE LEX COLUMN

Transatlantic link

FTSE Eurotrack 200: 1810.9 (-0.5)

European pensions



from it: strong upward pressure on some government deficits is inevitable. But the committee is wrong to conclude that Britain, whose pension liabilities look far less explosive, would suffer much from others' profligacy.

Nonetheless, even BSkyB cannot rely on the competition just rolling over and giving up, especially since adapting a satellite "set-top" box to decode digital terrestrial signals can seemingly be done at modest cost. Moreover, if digital terrestrial television does get off the ground, BSkyB would doubtless prefer to be in rather than out. At least it could get access to more customers that way: conceivably, it could end up with powerful influence over its competitors' plans as well. Still, it is difficult to believe this is BSkyB's ideal outcome; most likely, the company is simply hedging its bets.

Housing prices

Mr Kenneth Clarke, the chancellor, said his surprise decision to raise interest rates this week was designed to "nip inflation in the bud". Will this extend to the housing market? Figures from Nationwide building society yesterday showed house prices rising at an annual rate of 7.9 per cent, the highest level since boom times in the late 1980s. Anecdotal evidence indicates that in parts of London price rises are well into double-digits.

Given that mortgage rates were left unchanged, the direct impact will be minimal. But there will be a psychological effect, with fear of further rate rises damping the appetite for borrowing. Enthusiasm for long-term debt has anyway been subdued. Many households retain obstinately high gearing levels, having borrowed heavily in the 1980s only to see the value of their equity fall. Lower inflation has compounded their difficulties, while heightened job insecurity has also encouraged greater caution.

Both prices and transaction volumes remain well below the levels reached in the late 1980s. But prices have recovered more quickly, albeit with many homeowners still trapped in negative equity and unable to sell without suffering losses. Continued price recovery will free many from this trap, bringing more supply on to the market. This would be welcome, breaking the logjams which have developed at certain price points. But it will also curb price rises. The current recovery looks set to remain more boomlet than boom, and so much the better.



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Weekend FT

The search for the makings of greatness

According to Freud, the mother's favourite keeps forever the feeling of conqueror. Christian Tyler looks at theories on power

American presidents, like the leaders of most other countries, select themselves before they are selected. Voting in and out of office is a straightforward business but the process of self-choice that precedes the public choice (if the public is lucky enough to get a choice) remains a mystery.

How do candidates reach the starting line? Why is the American electorate on Tuesday choosing between William Jefferson Blythe IV (a.k.a. Bill Clinton), not Roger Clinton his half-brother, and Senator Robert Dole or Kenny Dole, his brother? Was there some reason why earnest John Major became prime minister of Britain while jolly Terry Major-Ball was left to give jokey interviews to the pop press; why Margaret Thatcher lived in decent anonymity while her little sister Margaret inflamed the conservative passions of the world?

The usual answer is to speak of ambition: money, luck or accident. But surely there are other, more secret promptings that mark leaders out from the herd, whether it be in public life, in war, science, the arts, business or religion.

Many factors have been invoked to explain power, from small stature (Stalin was a puny 5ft 5in, Napoleon a disputed 5ft 5in), to social isolation (Napoleon came from Corsica, Stalin from Russian Georgia, Alexander from upstart Macedonia), to personal charisma (Hitler, Robert Maxwell and yes, Bill Clinton). They are not enough. We must look into the deeper - and darker - places.

"Some are born great," said the letter dropped in Malvolio's path in *Twelfth Night*. "Some achieve greatness, and some have greatness,

neither are they selected. Voting in and out of office is a straightforward business but the process of self-choice that precedes the public choice (if the public is lucky enough to get a choice) remains a mystery.

The quest for the secret of leadership, of greatness, is a modern Holy Grail. Thousands of management textbooks are devoted to it. Some scribblers aim higher. Howard Gardner, a professor of education at Harvard University, in a book tautologically entitled *Leading Minds: an Anatomy of Leadership* claimed last year to have discovered the common denominator. He said the thread which linked such disparate characters as Margaret Mead, Pope John XXIII, Mahatma Gandhi, Martin Luther King, Jean Monnet and Alfred P. Sloan Jnr (the dynamic boss of General Motors) was their ability to tell a simple story. His theory got short shrift in the British press. Typical was the reviewer who said Gardner had failed to get his own story straight: he was just another American academic researching his own problems.

Great leaders are people who learn to know and control themselves before trying to control others, says a man who should know: he is a former head of recruitment and training for the British undercover regiment, the Special Air Service. Great wartime leaders, he says, come in two specifications: the erratic, creative sort, such as Horatio Nelson and Winston Churchill, and the cool, rational types like Napoleon and Wellington.

The latest theory, conveniently coinciding with the US presidential election and already creating ripples in the places where this sort of thing gets discussed, comes from a researcher at The

Massachusetts Institute Of Technology, Frank Sulloway. He has spent 25 years amassing evidence to show that the great innovators of history - revolutionary politicians, visionary scientists, radical artists, entrepreneurs - tend to be younger siblings.

A long-time student of Darwin and a biographer of Freud, Sulloway was puzzled by the fact that Darwin was the fifth of six children. Sulloway's book *Born to*

Rebel

published in the US by Pantheon and, later this month, in the UK by Little, Brown, encompasses more than half a million pieces of biographical data and includes a study of 6,566 participants in 121 historical events, among them the Protestant Reformation and the French Revolution. So even if the theory turns out to be full of holes, some imaginative later-born entrepreneurs (the author himself, perhaps) should be able to turn it into a best-selling Christmas board game.

Yet the idea is clever. Leave aside the fact that there are (or certainly were) a lot more younger children in the world than first-borns. Overlook the egregious counter-examples recognised

by Sulloway himself - the DNA-busters Francis Crick and James Watson, not to mention first-borns Martin Luther and Mao Tse-tung. Discount the author's excuses for only children (they are forced by biology to anticipate a non-existent sibling rivalry).

Swap the scepticism which says, like the economics writer Samuel Brittan, that most new ideas turn out to be either wrong or old. Ignore the possibility that Sulloway, who has two older brothers and a younger half-brother, may be a further example of an American academic researching his own problems.

The sibling theory is attractive. We can all point to families where this kind of dynamic seems to be going on. There is even, as the London rabbi Sidney Bricho pointed out, Biblical support. Did not God tell Isaac that the elder of the twins, Esau, should "serve the younger"? Was not Joseph told that his younger son Ephraim would be greater than the elder, Manasseh? And when Jesse paraded seven of his sons before Samuel, he was told to bring in the missing youngest, David, who was tending the sheep, and anoint him successor.

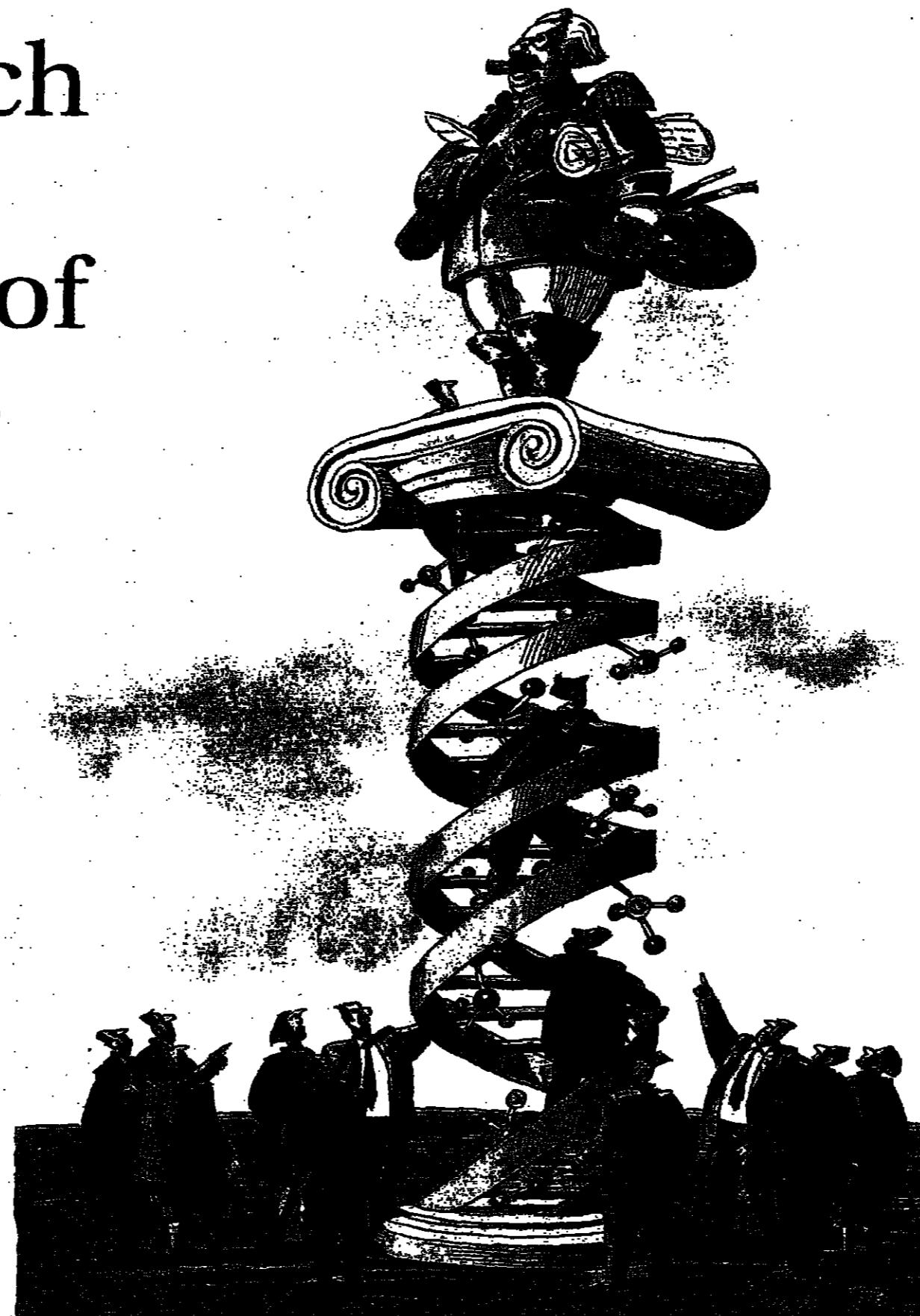
Psychologically, the sibling theory sounds right. Expectations heaped on first-born children - especially if they are boys and especially in societies where primogeniture is still the rule for inheritance - can make them conformist in choice of career and conservative in tastes. Younger brothers and sisters, growing up in a more relaxed atmosphere, are freethinkers.

Yet there is an unpleasant hint of behavioural determinism behind the idea that parents are bound by the iron dictates of the evolutionary struggle to favour the children who curry favour hardest; or that younger children are condemned to rebel against the system - represented by parents and first-borns - that put them where they are.

A rummage in the psycho-biography of American presidents suggests a whole lot more than the Sulloway sibling factor is at work.

For example, sudden death and physical handicap play a part. Bill Clinton's real father, Billy Blythe, was killed in a car crash before his son was born in 1946. His stepfather was aggressive and alcoholic, his much-married and ambitious

Continued on Page II



Joe Rogaly

The bad good news

No wonder British voters contemplate a change of government

paperwork, or so we must assume. It is politics they are not very good at.

Indflation is probably under control. Most streets are safe, or anyway less hazardous than supposed. Prosperity is creeping back. A majority of the citizenry is beginning to feel optimistic. The government must be getting something right. It is time to throw it out.

Chop-logic! Yes, but that

is the national mood six months before the probable date of the general election.

If the urge to remove Prime Minister John Major and his ministry remains as strong as it is today, the Labour opposition will be in on a landslide. This is curious.

Most people are going about their business in a state of relative content. It is hard to discern what might drive them to notice the government, let alone vote it out.

The answer is: froth, the way politicians behave, the way their behaviour is dramatised in the media.

Today's governing Conservatives are better at managing the country than they are at controlling themselves.

This is an extraordinary change for a party that usually wins. On a fair day, with a stiff breeze behind them, most mislabeled know how to handle their official

U-turn, we media folk screched.

This week the secretary for education and employment, a real charmer, hinted that the government would consider the re-introduction of caning in schools. A few hours later the prime minister said the opposite. Viewers concluded that he had not previously co-ordinated policies with his colleague.

Ministers can handle paperwork. It is politics they are no good at

To the hard right, he came across as soft on playground things. Not bad for one telephone call. Weak leadership, we cried.

Why do the Conservatives do this to themselves? Fear. They are afraid of losing, so they behave in a manner most likely to ensure that they cannot win. Members of the British cabinet are by and large sane. Their boxes are replete with civil service advice. In theory, they are capable of sound judgement. Yet when something that might be on the

front pages comes up they fall to pieces. Over the past week or so this has happened on sex offences, gun control, banning combat knives, morality.

This has distracted our attention from the most outstanding recent example of death by politics - the sorry history of mad cow disease. That is the brain-rotting affliction which has been linked to its human counterpart. I resist the temptation to dip into Mr Prescott's thesaurus. Let's just say that in seeking to demonstrate to potential buyers of British beef that it is safe to eat, the government has facilitated.

First it would not call, then it would call, then it would call immense numbers, entire herds. Then it would not call, then selectively call.

The determining factor has been the schism over Europe. The European Union wanted cattle from infected herds destroyed, therefore the Tory Eurosceptics had to be appeased. The government bounced out of EU meetings, refusing to demonstrate a willingness to compromise.

In the end the prime minister concluded an agreement in Florence. The piece of paper he had before him would, he said, lead to a lifting of the ban on British beef starting this month. We

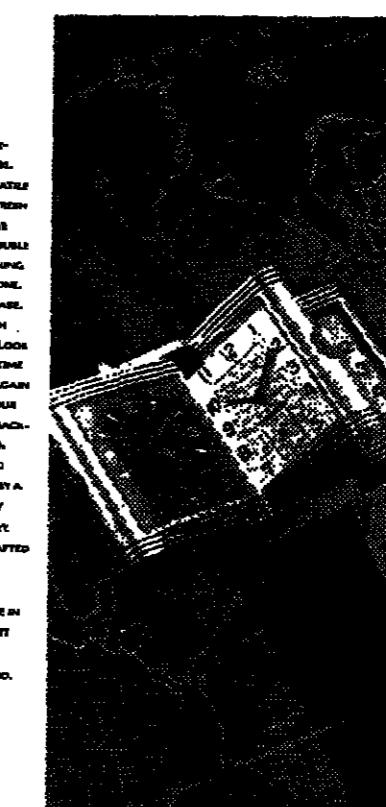
wait. The slaughter policy is too uncertain to satisfy the EU. No wonder voters contemplate a cult of Conservative knives.

Clearly the Ministry of Agriculture Fisheries and Food has not covered itself in glory. Yet some departments of government work well enough. Social security has introduced successful reforms, and trimmed expenditure. Health needs more money, as ever, but Labour has yet to produce a convincing alternative to the Conservatives' internal market. Environment has a green at its head.

Above all, the Treasury has Kenneth Clarke. His guiding principle, expressed in private and in public since he took office in May 1993, has been that the electorate will respond well to good governance. He may be wrong. A prudent Budget in a few weeks would be praised by some of us. It might be well received by the markets.

Whether it would buy votes is open to question. If the Conservatives lose, it will be in spite of their successful management of the economy and their patches of competent administration. If they win, it will prove that voters pay scant attention to pratfalls in the political theatre.

ANOTHER TIME, ANOTHER FACE.
REVERSO DUO.



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CONTENTS



Fashions Stokes - and the perfect mismatch for evening VI

Perspectives: A fast food fight in Europe III

How To Spend It: Opening the closed door to the interior IV

Travels Take a walk on the wilderness side of the Canary Islands VIII



Skating: Arnie Wilson finds magic in the eastern mists XII

Sports: The West Indies are on the warpath XI

Arts: A fatal attraction between two European neighbours XX

| | |
|--------------------------|-----------|
| Arts | XIX, XX |
| Arts Guide | XX |
| Books | XVI, XVII |
| Bridge, Chess, Crossword | XII |
| Collecting | XVII |
| Fashion | XI |
| Food & Drink | XII |
| Gardening | XII |
| How To Spend It | IV, VI |
| Horizon | XII |
| Personal Lives | III |
| Property | XIV, XV |
| Sport | X, XI |
| Travel | VII-IX |
| Weekend Investor | XIX, XX |

PERSPECTIVES

I have just received details of a course in a revolutionary technique for reading incredibly fast. The leaflet promises that PhotoReading, which is based on a sort of mental photography, will enable me to "blast through books at up to 25,000 words a minute".

About 100 times faster than most people read, and five or 10 times ahead of the claims of most "old fashioned" speed reading techniques, this has to be worth a measly £200.

Just think, I would be able to zap through this page in 10 seconds. The whole newspaper would only take me a few minutes instead of several hours. And 25,000 words a minute is not the limit. According to the newsletter, Book Blaster, one PhotoReader read a book at a staggering 60,000 words a minute.

Surprisingly, the world of cognitive science is not buzzing with talk about PhotoReading.

In fact, the scientists I contacted were not particularly interested. According to Keith Rayner of the University of Massachusetts, even the more modest claims of speed reading do not stand up to close scrutiny.

"I tend to believe that rates of about 500 words per minute are possible, but when readers are going at around 1,000 words a minute they are skimming. Portions of the text are being skipped over," he says.

Skimming causes information to be missed. When speed readers are tested after reading a passage at 1,000 words a minute they are just as good as ordinary readers at easy tasks, like saying what the passage is about,

or choosing a suitable title. Rayner says, but they perform much worse on questions about details.

If ordinary readers are instructed just to skim the text, they can go as fast as speed readers but they also fail to take in the details.

One of the barriers that limits reading speed is the human eye. Portions of the text are being skipped over," he says.

Fix your eye on the middle of a line halfway down a column. If you can read the first and last words on the line your vision is above average. If you can read anything on the line two above or two below the one you are looking at it is exceptional.

If you can't do either of these things don't worry - neither can I. But the experiment suggests that in a mental photograph of a page of text, most of the words will be unreadable.

You have to look almost directly at a word in order to read it. And according to John Findlay of the University of Durham it is almost impossible to move your eyes on to a new word more than about five times a second.

This limitation of the eye is a boon to psychologists. They can study how the brain processes information during reading by analysing where the eye is looking.

According to Geoff Under-

wood, of the University of Nottingham, the latest generation of eye-trackers tells where the eye is pointing to within one tenth of the width of a letter. Underwood is using an eye-tracker to study how we decide where to look next, while reading.

When psychologists began to use eye-trackers, they discovered another limitation to reading speed.

The brain can only take in a limited amount of information - referred to as the perceptual span - at one time. With George McConkie, now at the University of Illinois, Rayner measured the perceptual span of readers by replacing most of the words on a

video screen with nonsense strings of letters. Wherever the eye was pointing, a small patch of screen would have the correct letters, but everywhere else they would be jumbled.

Rayner compares the technique to making people read through a moving window. Inside the window the text is correct, outside it is nonsense.

"The rationale is that when the window is as large as the perceptual span there will be no difference [in reading performance] from when there is no window," Rayner says.

He and McConkie found that in English, the perceptual span

extends about 15 letters to the right and about four letters to the left of the letter you are looking at. Others have shown that in Hebrew, where each character contains more information, the span is smaller, and in Chinese and Japanese it is smaller still.

Psychologists are now using eye-tracking to test theories of how we process language. Eye movements slow down when we process difficult words or complex sentence structures.

They are using eye movement records to distinguish between theories that predict different sources of difficulty within a single sentence like "The man hit the woman with the green bat".

But for my part, I think I'll save my £200 and give PhotoReading a miss. At 25,000 words per minute I might skip too much small print.

■ The author is professor of psychology at the University of Nottingham

Minding Your Own Business

Breaking through the profits barrier

Clive Fewins on an Isle of Wight glass company recovering from a few turbulent years

A great cloud hung over the small Isle of Wight Glass company earlier this year. Some £10,000 worth - possibly more - of its products had been disappearing over a period of 18 months.

The two brothers who run the business knew it was an "inside job" and the entire staff was under suspicion.

Eventually the thief, a senior employee who had been with the company for 12 years and was in charge of stock and production control, was caught and convicted.

But the effects of the damage are still being felt.

"In such a small company - we are 15 in total - everyone feels tainted," said managing director Jonathan Harris.

"Everyone was shaken to the roots by the police investigation and by the fact that a trusted member of the team could cheat the company in this way. The episode brought low morale and falling output."

The incident did nothing to improve what Harris, 31, and his brother Timothy, 34, call their "turbulent" last five years.

Two years ago their father, Michael Harris, died suddenly aged 62. He founded Isle of Wight Glass in 1973 and was an internationally acclaimed authority on decorative glassware. The two sons, both trained in glass-making and design, took over the reins, accompanied by their mother Elizabeth.

Profits before and after their father's death have been hard to come by. In 1993 the company made a £30,000 loss on a turnover of £520,000. The following year the loss was £18,000 on a slightly lower turnover. For the year 1995-96 the brothers expect to show a £10,000 profit on a turnover of £480,000.

The better figures will be



Clear future: Tim and Jonathan Harris aiming for fame in decorative glassware

Truth of the Matter

Shifting realities

The bishop and the constitutional expert were being grilled. What had they to say about the future of the throne now the royal divorce was done? The bishop was a model of moderate common sense. Circumstances alter cases. Time changes perspectives. The climate of public opinion was probably more important than the absolute pronouncements by the fundamentalists. Standards must be set but forgiveness was one of the most important of those standards.

The constitutional expert appeared to be exasperated by the bishop's moderation. He was all for the prince remarrying and he did not think the sky would fall in if he did. But clearly he expected the bishop to be thumbing the table with a few round denunciations, protecting the family, standing up for absolute standards. Even the BBC interviewer sounded as if he had been cheated of a good punch up.

Expressions of anger are not confined to religion or morals. I was listening recently to a lecture about the quantum world by an eminent mathematician. The response of sections of his audience was angry disbelief. It was as if the known world was dissolving before their eyes, and somehow this wretched professor was making it happen.

Dr Johnson's equally angry response to the philosopher Hume was to kick a stone and declare "Sir, I refute him thus!" Characteristically robust, but missing the point.

We like the known world to stay in place and to be simple. And "we" may mean particularly the male patriarchy, the control freaks of our modern technocracy. Any suggestion that reality may be more fluid and complex than we think causes anxiety. Fear is expressed either in flight or anger.

The dissolving of the Newtonian atomist universe with its absolute mechanical certainties is the most radical intellectual revolution of the past 200 years. It has been taking place almost unnoticed under our noses over the past 50 years. It will have profound consequences for the way we think about ourselves, about human consciousness and the very nature of reality.

Instead of the fixed "objective" world of inert matter out there, which can be

observed and calibrated with increasing precision and certainty by us, the detached clinical observers, we are confronted with a reality that is systematically relative to the questions addressed to it. If you ask it wave questions it will give you wave answers. If you ask it particle questions you get particle answers. Reality is relational, a shifting dialogue.

This revolution in physics is paralleled by a post-modern relativisation of all judgments about art, music, literature, society, ethics and religion.

Our judgments about Jane Austen or John Constable shift as we move from a capitalist to feminist, Marxist, sociological, economic or religious platform.

When rocks turn to mud and the firm ground on which we have built our houses begins to liquefy we are understandably alarmed.

Oddly enough I suspect that women are less alarmed than men. I think women are used to the notion of operating on a network of relationships where everything (or everyone) connects to everything else and the whole relational system retains its stability through the energy and quality of its relationships. The dialogue is the reality.

It is arguable that the atomist Newtonian or Cartesian world is an essentially male construct. It objectifies the physical world, and reduces it to machinery which can be controlled, dominated and exploited. To be master of the world is very different to being its mistress. Much of our ecological and military misery is directly attributable to this distorted view of reality.

So, back to our bishop and constitutional expert. Maybe the bishop is right and quantum ethics is the real world. The moral universe is much more complex than the staunch advocates of moral law can envisage.

Like the new quantum world of physics, moral reality is not dissolved but shifted into the changing and nuanced dynamics of relationships, and the dialogue between the inner and the outer world of moral agents. But we can all sympathise with the consequent alarm of the constitutional expert. (A man of course.)

Hugh Dickinson

the centre of our philosophy," Harris said.

The company produces 18 ranges, largely distinguished by their swirling and abstract designs, achieved by finishing with precious metals. Prices for single items range from £10 to £400.

There is an eastern influence in several of the collections, largely resulting from the travels of Michael and Elizabeth Harris. Other ranges reflect the setting of the low glass studio on the beautiful and relatively exotic section of coastline known as the undercliff, in the far south of the island.

Direct sales from the studio shop are slightly up this year. However, confidence is still lacking in the high street, according to Harris, who deals with the retail trade largely through one large gift fair at Birmingham each February.

This spring, the two

brothers and their mother realised a long-held ambition, and opened their first retail outlet away from the company headquarters - a shop in Shanklin.

"We have believed for years that we need to raise our profile among the island people as well as selling to tourists. So far the shop, which we opened in April, is holding its own," Harris said.

Ultimately, the Harris brothers would like Isle of Wight Glass to be a "name" - well known for its quality that it is sought by overseas buyers, airlines and air-

port terminal operators for their giftware outlets.

"We are a long way off that," Harris said, "though I like to think this is not because of lack of quality or originality, but because we are too small to be able to afford the promotion that is needed to achieve this accolade."

"However, I'd like to think the company might achieve this under a future generation of Harrisises."

■ Isle of Wight Glass, Old Park, St Lawrence, Isle of Wight PO38 1XR. Tel: 01983 853526.

Tony Andrews

The makings of greatness

and a lazy student who grew up in the shadow of a brilliant elder brother, Joseph. When Joe was killed in the second world war, young Jack was virtually driven into politics by his father. Franklin D. Roosevelt had a much older half-brother and grew up as an adored only child, the centre of attention and with a feeling of invulnerability which his polo seemed only to enhance.

Abraham Lincoln had an elder sister, but his mother died when he was 10, and Thomas Jefferson lost his father at 14.

Trauma, pain, death and absence are the complicating factors, and probably the real motivators. The sibling theory is too simple, even if it accommodates the fact that political leaders tend to be first-borns, like Winston Churchill. The iconoclastic Voltaire was a last-born. But Voltaire lost his mother

before he was 10. So, for that matter, did Darwin. As for the psychodynamics of political revolutionaries, consider the case of Lenin.

Brought up in a comfortable middle-class home, Vladimir Ulyanov was a diligent and perfectly orthodox child. At least, so said his headmaster, Mikhailovich Kerensky (by coincidence father of the head of the first Russian revolutionary government). The third of six children, Lenin was the star of the family, self-confident and with a superiority complex, according to his Russian biographer the late Dimitri Volkogonov. At age 16 he lost his father. More importantly perhaps for his development, his admired elder brother Alexander was hanged the following year for his involvement in a clumsy student plot to assassinate Tsar Alexander III.

Ludwig van Beethoven's

revolutionary musical ideas, one would say, owed less to birth order - his elder sister died young and two younger brothers survived - than to the family's long musical tradition. His father's stern early indoctrination and later alcoholism, and his own struggle against deafness. Wagner, the next harmonic radical, was the youngest of nine children of a police-chief father - or was he, as many think, really the first-born of his mother's second husband, the painter, actor and poet Ludwig Geyer?

Another Ludwig, Wittgenstein, was the youngest of eight. But was it his place in the queue, the instability in his rich and brilliant family - three older brothers committed suicide - or, as his biographer Ray Monk thinks, his experiences in the first world war that made him give up aeronautics and engineering and turned him into the 20th century's most radical philosopher?

Time and again, one hears about the effect on men (and until the second half of this century we are talking mainly about men) of absent fathers and, adding, ambitious mothers. The indomitable pianist and conductor Vladimir Ashkenazy says it was his mother who gave him his obsessive fear of laziness; his father was often away on business. Isaac Newton was a posthumous son, raised by a grandmother, as was Bill Clinton.

The theme occurs also among explorers. Wilfred Thesiger claims that his father's death when he was 10 was "irrelevant" to his development, his admiration for his rich and brilliant family - three older brothers committed suicide - or, as his biographer Ray Monk thinks, his experiences in the first world war that made him give up aeronautics and engineering and turned him into the 20th century's most radical philosopher?

Self-belief is the key to leadership. Alan Bullock quotes Nietzsche's aphorism "Men believe in the truth of all that is seen to be strongly believed in" in his parallel biography of those authoritarian monsters, the former choirboys Hitler and Stalin. Very different in temperament, they shared an extraordinary self-confidence; they saw themselves as figures of destiny, makers of history, born to a higher calling.

Wittgenstein, the man who, after Jesus Christ and Karl Marx (an oldest surviving son) probably did most to change the way the world thinks, Freud should know what he is talking about. He was another first born of a father's second marriage and his mother called him "my golden Sig".

This was Freud's verdict: "A man who has been the indisputable favourite of his mother keeps for life the feeling of a conqueror, that confidence of success that often induces real success."

FT-1,000

Since publication of the FT-1,000 Schools Survey last Saturday, we have been informed of a small number of errors.

■ Isis-supplied data on some fees was incorrect.

■ Ripon Grammar School, North Yorkshire, was omitted. It would have ranked 199.

■ Sir William Borlase's Grammar in Marlow has corrected its figures. It would have ranked 391.

Class No 1182: 1 Cnd6, 112 Re6, or 2 Nat6, or 962 Cnd6, or 62 Cnd6, or 2 Nat6, or 962 Cnd7, or 62 Cnd7, or 962 Cnd8, or 62 Cnd8.

1 Cnd6 fails to K68 while 117 and 2 Cnd6+1 leaves the WK in check.

PERSPECTIVES

Europe's fast food fight

The tasteless food society is not just a British phenomenon - it could be coming to a country, a supermarket, a shelf near you, warns Sue Style

In the little village of Issenheim in Alsace a group of 10-year-old primary schoolers are working their way appreciatively through a tray of *petits fours* brought in by guest chef Jean-Luc Wahl. Close by in Colmar, the children are nibbling on a selection of raw milk cheeses under the watchful eye of Monsieur Quesnot, the *fromager*.

Monsieur Marchand, the local baker is doing a blind tasting of baguettes in which the children are asked to distinguish between a supermarket stick and his own crusty loaf.

Across the Rhine in Lorrach (Germany) the morning market is in full swing, the colourful stands arranged around the town square. Three times a week farmers come in from the surrounding Markgräflerland to sell a bit of this and a little of that: paper bags of brown eggs, handfuls of beautifully grown and carefully cleaned lamb's lettuce, fresh walnuts and grubby potatoes.

Meanwhile, down in a suburb of Basel, schoolchildren sporting luminous triangular orange sashes are getting ready to walk home - unaccompanied - for lunch. On the menu there is salad from the family allotment, a fresh crusty *Bäckerbrot* bought from the corner baker, and a lean roast of pork with coagettes and ribbon noodles.

Earnest discussions with 10-year-olds about taste? Fresh, locally grown food bought from a real farmer's market? A nutritious hot lunch cooked from scratch and eaten *en famille*? These things are real, but are they typical? How different, fundamentally, is the food picture in mainland Europe from that in Britain?

Switzerland is a special case. For a start, small is beautiful. With kitchens resembling a ship's galley, fridges the size of a medicine cabinet and freezers not much bigger than a tea chest, people shop frequently for small quantities of fresh foods. The once-weekly (forget once-monthly) siege mentality shopping trip is almost unheard of - a recent survey carried out among customers at the Co-op (one of the country's leading food retail-

ers with 18 per cent of the market) revealed that 50 per cent had been out food shopping the previous day.

Supermarkets are small and the meaningless multiplication of lines is necessarily limited. Since distances are also small, centralised distribution by food retailers is less of an issue.

Managers may also source certain fresh products locally: vegetables, fruit, milk, and - most important of all in this intensely *brodeurous* (bread conscious) country - bread.

Working habits (particularly of women) and school timetables also set Switzerland apart. Swiss mothers, imprisoned in their (small) homes by idiosyncratic school hours and general disapproval of working mothers, cook a large lunch daily - it remains the main meal for most people. The Swiss like to linger at the table over good food. In a recent survey by Nestlé, a significant proportion of Swiss Germans questioned fancied themselves as *Feinschmecker* (gourmets).

Where other countries have rushed into a headlong embrace with cook-chill techniques, vacuum packing, ethnic foods and frozen exotica, the Swiss are taking things more slowly. But the fast food culture is firmly anchored (McDonald's, even has the concession on some Basle-

low fat/low sugar products) in the early 1990s. Sales of reduced-calorie soft drinks and low-fat spreads have held up, but whether flavour was an issue these products died an early death.

The biggest growth area in Switzerland is in organically grown foods. At the Co-Op, where there is a choice between conventional and organic (eg in fruit, vegetables, dairy, bread), close to 20 per cent of customers are going for organic in spite of a distinct price premium.

In Germany, the picture is more mixed. Food - as in the UK - is a class and an economic issue, as well as a regional one. The southern Black Forest, for example, has always had a genuine *Esskultur* (tradition of good food) probably not unconnected with its wine-growing tradition and its proximity to Alsace.

Even in less favoured parts of the country the food picture is changing fast. Many Germans, generally well off and increasingly well travelled, are discovering a taste for fine food, for which they are prepared to pay an ever higher proportion of their disposable income.

The growing interest in quality and taste is tempered by concern for - and some would say an obsession with - health. The survival of the town mar-

ket selling locally grown produce is one of the most heartening facets of German food buying.

Organic foods, always well received, are expanding in popularity, though these tend to be confined to markets or specialist shops.

Since the school day begins in Germany at 7.30am and finishes at 1pm, most children come home for a "proper" lunch, for many Germans still the main meal of the day.

But alongside the markets, the tradition of the freshly cooked daily meal and plenty of high quality raw materials, convenience foods of a fairly unsophisticated sort are thriving. Affluent households in west Germany spent about DM10 per week on deep-frozen *fix-erig* (pre-cooked) products in 1991 - by 1995, the figure had almost doubled. Some of these, such as *speckknödel* and *spätzle* (bacon dumplings and gnocchi) are indigenous, but most (pizzas by the tonne and pre-cooked potatoes in every shape and size) are international and anonymous.

And what of France, the bastion of good taste? First impressions on the food front are fairly frightening. Approach any large French town today and you could be forgiven for thinking you were in the US. Flashing neon lights

advertising hypermarkets and fast food joints assault the senses.

Inside the hypermarket, you find chicken nuggets jostling for trolley space with frozen pizzas, quiches, Weight Watchers frozen dinners; on the shelves are jars of Uncle Ben's *Coq au Vin* sauce and vacuum-packed, pre-cooked chilli con carne.

At Carrefour, the French retail group, sales of takeaway foods (roast chickens, barbecued ribs, paella, couscous and the like) have doubled since 1994. The two bestsellers at French Tupperware parties this year are receipts designed for microwave cooking.

Even lunch - that great bulwark of French society - seems to be under threat. Often, both parents are out at work, grabbing a hamburger or canteen lunch. Many children have school dinners or let themselves in for a latch-key lunch from the microwave.

"A generation is growing up without the faintest notion of how to cook a fresh vegetable, roast a chicken or make *pâté bri-sé*!" laments Madame Becker of the schools inspectorate in Colmar.

Bread is also under attack. Ten years ago, 90-95 per cent of all bread sold came from a *boulanger-artisanal* (craftsman-baker).

Today the figure is more like 75 per cent from the bakers and 25 per cent from supermarkets.

Baguettes made from deep-frozen dough are baked on the premises and sold masquerading as *pain fait-maison*. Bought at lunchtime, such baguettes have developed a severe case of the droop by 4pm and are dead by dinner.

But, being France, taste is not going to disappear with a whim-

At Carrefour, sales of takeaway foods have doubled since 1994

per. The palate education classes throughout the country are not so much a celebration of good things to eat, more an imposed battle cry against the industrialisation and banality of much French food today.

The best supermarket breads are genuinely outstanding, made from the scratch on the premises by professional bakers. Takeaway roast chickens may be best sellers, but someone out there is still buying a lot of raw birds -

and of these, close to 40 per cent are *poulets fermiers*, costing twice as much as battery chickens.

The buzzword in French taste is *le terroir*, as evidenced by the hunger for genuine, locally made regional products. Increasingly, these are coming from high quality, semi-artisanal producers, not from industrial giants.

Ready-cooked meals are often backed by a recognisably French gastronomic tradition and regional character, the best of them made by small local specialists.

And while shopping and eating habits are changing fast in cities, out in the country plenty of people still care passionately about food.

A reassuringly impressive slice of disposable income across all age groups and social classes in France is still spent on "real" food of measurable quality.

"All of life," observed Nietzsche, "is a dispute over taste and tasting."

Throughout mainland Europe, debate is currently raging. Even in countries with a track record in taste, fast food is fighting it out with slow food, and technodishes with *terroir*. The tasteless food society is a threat. It could be coming soon, to a country, a supermarket and a shelf near you.

Hong Kong University. "But here there is no pattern."

That is hardly to be expected in a city of entrepreneurs, who build their empires and their offices with scant attention to the place next door. Nor can a pattern be easily built on such transient foundations.

Few buildings last long in Hong Kong. They go up fast and old is 20 years. Among the few exceptions are the governor's colonial home and the Legislative Council.

After July next year, one will be gone and one will be scrapped - the associations they leave behind are unlikely to entice new tenants.

In a bout of urban planning, a group of pro-Beijing politicians is proposing a "cultural plaza" - a huge square down by the harbour with new buildings to house the territory's chief executive, legislature and the other institutions which will govern post-1997 Hong Kong.

"The scheme will represent an important symbol for the Special Administrative Region of Hong Kong," says Raymond Wu, its champion. It is a bold project, which faces stiff resistance. For in re-casting Hong Kong's image, the square and its surrounds might emerge in Tiananmen's mould.



The siege mentality shopping trip is almost unheard of in Switzerland

Geneva trains and convenience foods are big - the country is, after all, the spiritual home of Knorr instant soup.

Ready-cooked meals - from frozen pizzas to vacuum-packed *zürigschnitzlets* (diced veal and mushroom) and *risotto* in a bag - are increasingly in demand, though few people would admit to using them other than as emergency rations.

There was a brief Swiss flirtation with so-called *Light-Produkte*

in land-scarce Hong Kong their message is especially pointed as next July's handover appears on the horizon.

In part, the latest wave of building is the boldest gamble by the territory's real estate tycoons. Their still rising towers are profound commercial statements. Not for them the fears of a Communist landlord. "We don't just say we are confident. We are putting hard cash on the table," says Henry Cheng of New World Development.

Cheng and the other top property magnates plan to invest HK\$630bn (251bn) by 2000, according to Lo Ka-shui, chairman of Great Eagle, the property company. That is enough to buy six dozen Rockefeller Centres, or a flock of Canary Wharf. They shrug aside political risks. Some will tell you how their smartest investments were made in the wake of June 1997, when Beijing moved against its students. But behind the bamboo scaffolding which clings to the emerging structures, there are signs of territorial change.

Next, to where Chris Patten will set sail for Britain, and alongside the future People's Liberation Army headquarters, Citic Pacific, the local arm of Beijing's

Although Britain does not return its last colony until July, mainland interests are already taking it back, bit by bit, through the property market.

The glass shard that houses the Bank of China, designed in semi-traditional form by the Chinese American architect I.M. Pei, soars above the Hong Kong bank of Britain's Norman Foster. The sharp angles of the Chinese bank are an arrow in the heart of the city or a pointer to prosperity, depending on your view.

Down on the waterfront, the Jardines group - one of the territory's founding Hong Kongers - has seen its shoreline stronghold breached as two of the biggest local Chinese developers claw back land from the sea for their grandiose scheme. The panoramic view in Hong Kong has always been vulnerable to the shadow of the next grand design.

Next, to where Chris Patten will set sail for Britain, and alongside the future People's Liberation Army headquarters, Citic Pacific, the local arm of Beijing's

flagship investment company, is building a tower block. More will put their names in lights. A lot of mainland groups will posi-

tion themselves before and after July 1997," says David Paulkner at Brooke Hillier Parker. "They believe it is important to be seen here."

Where to be seen remains pretty much the same - downtown and the harbour front for businesses, the Peak for their bosses. Who to

be seen with is less constant. The taipans of the traditional Hong Kong are being elbowed aside by new establishment figures, such as Larry Yung. The Citic Pacific chairman and son of China's vice president has impeccable connections, a respected business acumen, and a knack with Hong Kong's horses.

Li Ka-shing, who started in plastic flowers and now stands atop the territory's business world, has been developing his own construction connections. He is building a headquarters for the Chinese foreign ministry at a knock-down price. It will stand on land once occupied by British civil servants and expatriate policemen - a changing of the bureaucratic guard.

Idiosyncrasies are etched into the skyline. Or at least the flaunted face of the city centre, away from the compressed housing where most of Hong Kong lives. "California has a post-modern image and Kuala Lumpur is developing a Moorish style," says Ho Chi-wing, associate professor of architecture at

China is taking Hong Kong back, building by building, says John Riddington



New replaces old frequently in Hong Kong, where expansion upward and outward defies limitations

The barren island dispensed by Lord Palmerston has long been buried under bristling towers. So have the "sixty European-style houses and a few Chinese huts" cited in Hong Kong's first annual report to the Colonial Office.

Then, in 1844, the concern was whether a town could be built on the abrupt precipices, deep ravines and the hills which assumed a greenish tinge after the monsoon season - "like a decayed Stilton cheese". Now there is no stopping the expansion, upward and outward, in a territory that has overcome the restriction of space and is confidently confronting the limit of time.

Such is the force of construction that it is turning back the waters of Victoria Harbour, shrinking the channel between the Island and Kowloon, and churning its currents. Cranes stand over the skyline, preparing the ground for an 88-storey tower, the tallest in the territory, and finishing at the shoreline site where Chris Patten will bid farewell as Hong Kong's last governor.

The colony has always lived on borrowed time. So its bursts of building are much more than just construction. Skyscrapers make a statement in any city, but

HULL - a city that means business....

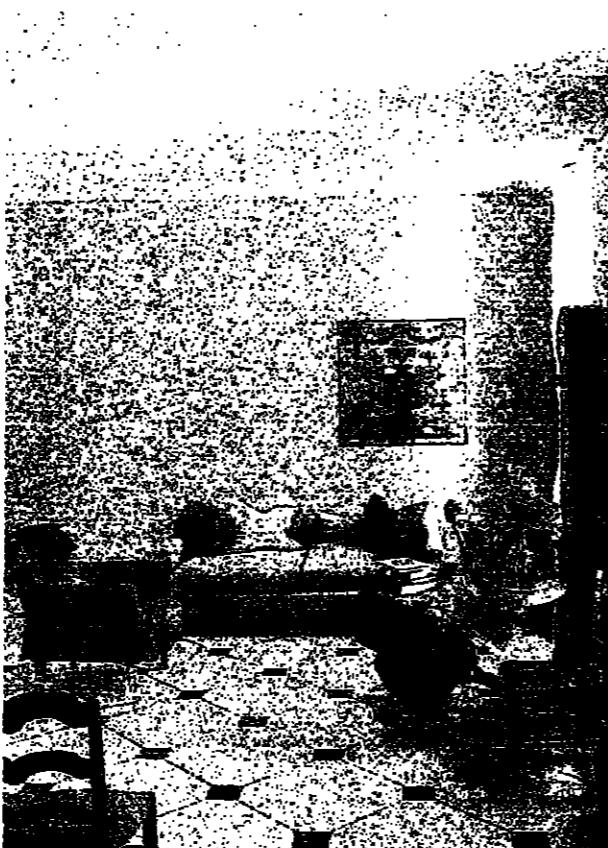
INVESTIGATION HULL



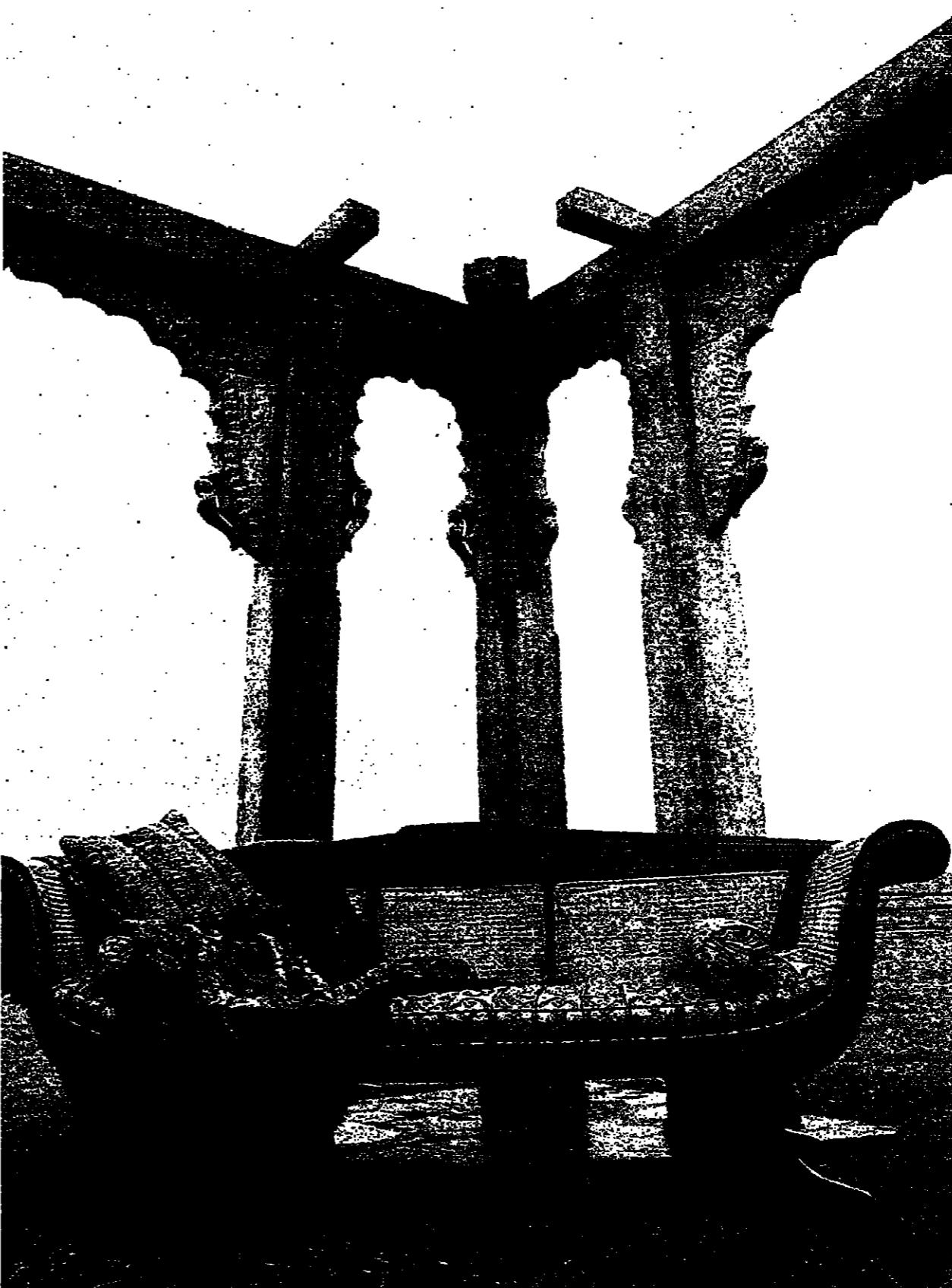
HOW TO SPEND IT



Tessar Silk Paisley throw from De Le Cuona Designs, about £200. Tel 01753-830301



Designers Guild's brilliant lime green and crushed strawberry colours are a fresh alternative to chaste white interiors



The Raj sofa by William Sheppie is made from Sheesham wood, a wood native to Rajasthan but now grown throughout India; £299. For local stockists, telephone 01722-334454.

graphed in grand interiors.

They look good in halls, in alcoves or backing on to sofas piled high with books. There is a "Louis XVI" console, a Greek key version, a "George III" and so on.

Most are finely carved and are almost exact copies of extant originals. Besides tables, there are classic Bergères, butler's trays, wall lanterns and many other essential ingredients of the country house interior. The Classic Chair Company is at The Old Imperial Laundry, 71 Warriner Gardens, London SW1 4XW.

Those with more exotic tastes should look out for William Sheppie. There are several strands to his business - he imports genuine Indian and Tibetan antiques; he recycles some antique pieces - such as using old doors and windows for tables and cupboards - and he commissions perfect copies of old pieces as well as others "inspired" by them.

They are made in India from Sheesham wood which is native to northern Rajasthan but is now prolific throughout the sub-continent. Many represent excellent value.

The pieces range from coffee tables to cupboards, chests, chairs and sofas. William Sheppie is a manufacturer and wholesaler, so ring 01722-334454 for local stockists.

I f you feel you have already seen one too many interiors based on round blond wood floors and white paint (not to mention the ubiquitous white sofa), remember that there are fresh, contemporary alternatives.

Tricia Guild, for instance, while being careful to offer her customers plenty of plain rough linens (in the fashionable palette that runs the gamut from white to cappuccino) and natural weaves, has launched a collection of wonderfully colourful papers and fabrics. They fairly zing with colour - from brilliant lime green through to deep indigo and lapus lazuli blues to citrus and red.

Some of the most beautiful are her Karahan printed fabrics inspired by the "colours, textures and designs of early Japanese and Oriental textiles". On cool cotton and soft-crush linen they are fresh and different.

Finally, one of the most interesting companies to show at Decorex was one of

the smallest, De Le Cuona Designs, founded by South African-born Bernle de Le Cuona, has some wonderful damask cloth. "I love old starched tablecloths and I found a company in Russia that would adapt old tablecloth designs and make them for me."

The result is three designs

- one featuring lace-like inserts, one with swirling self-pattern and the third which features a geometric self-pattern.

I like them best in white but they will later come in indigo blue, yellow, honey and tobacco. Sold by the metre (from £39), the damask can be made into cloths for large dining tables or curtains. And it can be washed in a washing machine.

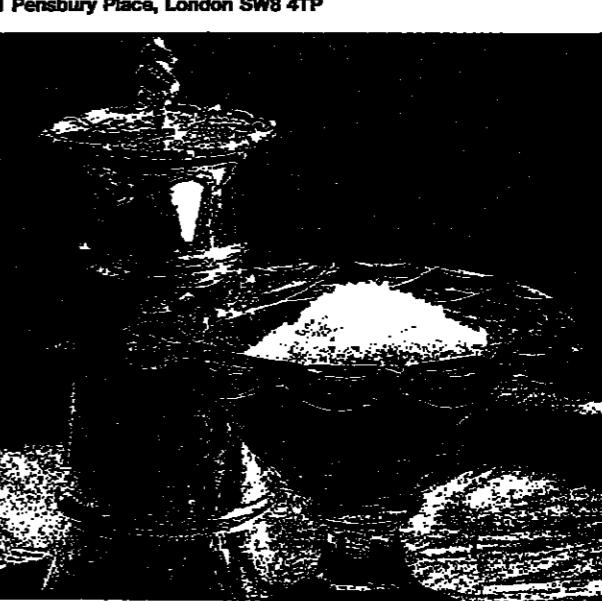
De Le Cuona Designs is also importing a range of Paisleys based on documents found in museums in India and Kashmir. These are sold both as hand-loomed throws (about £90 each) and at £80 a metre. In the range, too, are plain linens (from £30 a metre) and a range of accessories - cushion covers and the like - made from both the Paisleys and the linens. The General Trading Company, 144 Sloane Street, London SW1, has the complete range. Ring 01753-830301 for local stockists.

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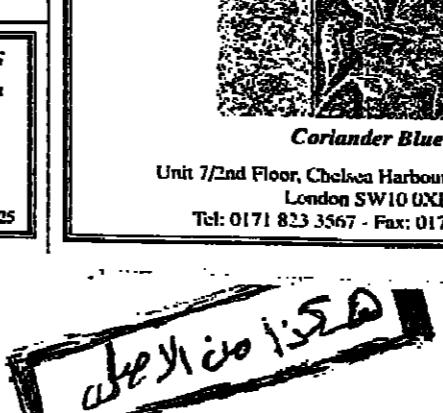
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HOW TO SPEND IT

A fine, full-flavoured family affair

Nikki Tait finds wine is central to the lives of Brian and Fay McGuigan - founders of one of Australia's best-known producers

Brian McGuigan, who runs the quoted Brian McGuigan Wines, is one of Australia's best-known independent winemakers. He and his wife, Fay, built up the Wyndham Estate winery in the Hunter Valley, before it was taken over by France's Pernod-Ricard group, for about A\$70m in 1990. This left the McGuigans with a fistful of dollars - and a hole in their lives.

So they started again. The current company's board is packed with Sydney "notables", from an ex-state premier to the head of the largest Australian-owned investment bank. Despite this, McGuigan Wines remains a family affair. Brian's father, who first acquired the Wyndham properties and was a winemaker with Penfolds for 40 years, offers help and advice. Lisa, the couple's 25-year-old daughter, runs the marketing arm and is on the board. Neil, Brian's brother, is also a director.

Fay McGuigan, who married Brian 32 years ago, handles the export sales. These are principally to the US and UK, but increasingly into Asia. The McGuigans live near Pokolbin in the Lower Hunter Valley, a wine-growing region north of Sydney.

■ Brian McGuigan
"All the time is spent on the business. When you've got a relatively new company, you've got to put every bit of effort you possibly can into it, every waking moment."

Quite simply, the opposition is very, very formidable and competent. But, I suppose, apart from that, I just love it - particularly the viticultural side.

"It's so rewarding," you know. The grapevines really talk to you. The more you attend to them and the more you identify their needs, the more they react for you.

"We've got a lot of vineyards now, across Australia. So I need to spend time going round, just viewing them."

(In total, the McGuigans own about 2,000 acres of vines, spread across New South Wales and South Australia.)

"The other part of the business is attending to the marketing - and that takes us all over the place."

Asked about his own cellar, McGuigan waves a hand towards the back of the house. "I've got a roomful out the back there - and up in the winery too. When we moved from Wyndham, I had a lot of wine but, in truth, it didn't get put into an air-conditioned store, so I lost most of it."

"We're just about to air condition that part of the house, so I haven't put too much imported wine in just yet."

"And I've been using our local stuff fairly quickly. When we have a party here, we use a lot of grog, let me tell you. The locals can drink," he chuckles. So there's a lot of entertaining?



A taste for wine: Brian and Fay McGuigan's time is predominantly spent cultivating the business they love in the UK, US and the potentially huge market in Asia

"A lot. Well, it is the industry. People drink it. People love it."

The McGuigans' house - a light, open, one-storey building, flowing with sofas and tables - has been designed with this in mind. McGuigan says that it first functioned as a wine-tasting centre for one of the Wyndham labels.

After the takeover, they re-acquired the property and finished it off as a house. "We got the same architect, and he helped develop it as a home, but also as a place where we could entertain a lot of people."

"He came from Sydney. He's actually a Pom - you buggers are everywhere - but he's excellent. And while he's a Pom, he's got a real feel for Australiana, and what's right."

"We've got an area out the back where we entertain international visitors. What they want to have is an Aussie barbie, and it's nice to bring them here with that backdrop of a mountain. Of an afternoon, we'll take them up that road. They see 10 or 15 kangaroos hopping across, and think they've seen outback Australia."

The use of wood throughout the house is also noticeable. "I love timber - it's such a fantastic thing," McGuigan says. He returns with a large wooden amphora (minus any handles) bought recently from an "Australiana" store

in Canberra.

"This sort of wood can't be obtained any more - it's called black opal tree. In fact, if you have a look, it doesn't have a grain in it."

Music and reading, he admits, get minimal attention. "I think we Aussies, we're more operators, rather than theorists. We've got so much to do and there are so

many things to do."

Fay McGuigan turns up for lunch, bubbling with excitement because she has just sealed a Chinese export order for 50,000 cases of red wine. Like her husband, she admits that business and personal life are hugely intertwined, although she tries to make some space.

"Brian doesn't seem ever to want a break from it. He loves every minute of it, and doesn't care if he doesn't take a holiday. He's been

like that for 32 years and I'll never change him. But my parents are getting older, and my sister's been ill, so I like to have a little bit of time for private things."

"Even so, it is a struggle. I used to love tennis - but that went by the way. It was always in the day. I wanted to learn bridge, because I think it's great for your brain when you get older. But again it suited the majority of people during the day. Recently, I decided to do a folk art course. The emphasis is painting flowers... beautiful things like daisies, sunflowers."

"But that's about the only interest I have outside the company... I work seven days a week to get through what I do in export."

Entertaining is a shared labour. When the McGuigans were introducing the new company's wines, they held four dinner parties a week for nine months. Keen for

the personal touch, Fay cooked - and the tradition continues.

"I still do the dinners at home, and cook. It's not four a week now, but I'd average four dinners a month, and sometimes I might have 18 people. We've just finished doing up the courtyard area, so we can do some nice barbecues in the summer. That way, we can go for more simplicity in the menu and

enjoy the guests."

"This is the first time I've had my own garden, with a really large herb garden. I've also got another fairly large garden where lots of sunflowers grow, so if I'm caught without flowers in the house, you know, it's quick. There's roses and lavender, so you can always put a nice bunch together in the guest bedrooms."

"In fact, I'm an early bird. It's nothing to go out at quarter to six in the morning and plant a few punnets of flowers or water the garden."

Travel is the other big drain on her time. "We don't travel together as much any more because the business has got so busy, and two people out gets really noticeable. It's predominantly in the US and the UK, but I can see potentially huge market in Asia, so I'm sure we're going to have to do a third in Asia in the coming year."

"We tend to stay in the same hotels. You're only there for five to seven hours' sleep, and you know you can get coffee quickly in the morning and the phone calls will reach you. It probably doesn't sound very exciting, but on an export trip you aren't out there sightseeing."

"It took me several trips to be able to select the right clothes; I always took too much just in case the weather was different. But after a while, you do perfect what you need."

"You need suits all the time. What I usually do is sit down one night and write a packing list. I have a programme of all the appointments. So I work out how often I can wear the same suit. It might be three appointments, not living in it."

"Believe it or not, I do buy all my clothes in Australia. Less than 10 days ago, I was in Fifth Avenue in New York on business. My friends can't believe I came home without buying clothes. But I really do feel that clothes around the world are much the same. Australia has a great range of labels, and I've never found any country to be better. So I wouldn't have more than perhaps two outfitts in my wardrobe that were bought overseas."

"It's a bit like finding the free time to go and sightsee... By the time you finish your promotions and your business meetings, you lose the enthusiasm to go out. So I'm very happy to shop in Sydney."

"I try to buy ahead of the occasion. If I see something, I'll buy it, whether it's for now or for something in two months."

Jewellery is a similar story. "Can you believe it? I've got one ring from South Africa which we bought about 20 years ago, and it's the only piece of jewellery I own that I haven't bought in Australia. I suppose if we did allow more time after we had done business, I'd be tempted. But we can't wait to get on a flight and come home. That's always so nice. Home is wonderful."



Australia

few people to do it." Meanwhile, even the family can have been pressed into marketing service. The number-plate on his wife's white Mercedes-Benz is "WINE1", and Lisa enjoys "WINE2". "Special number-plates cost about 150 bucks a year, but they're worthwhile. You see people pointing at them all the time," McGuigan says. "But my brother has the best of all. His is "WINEO". He has to weld it on."

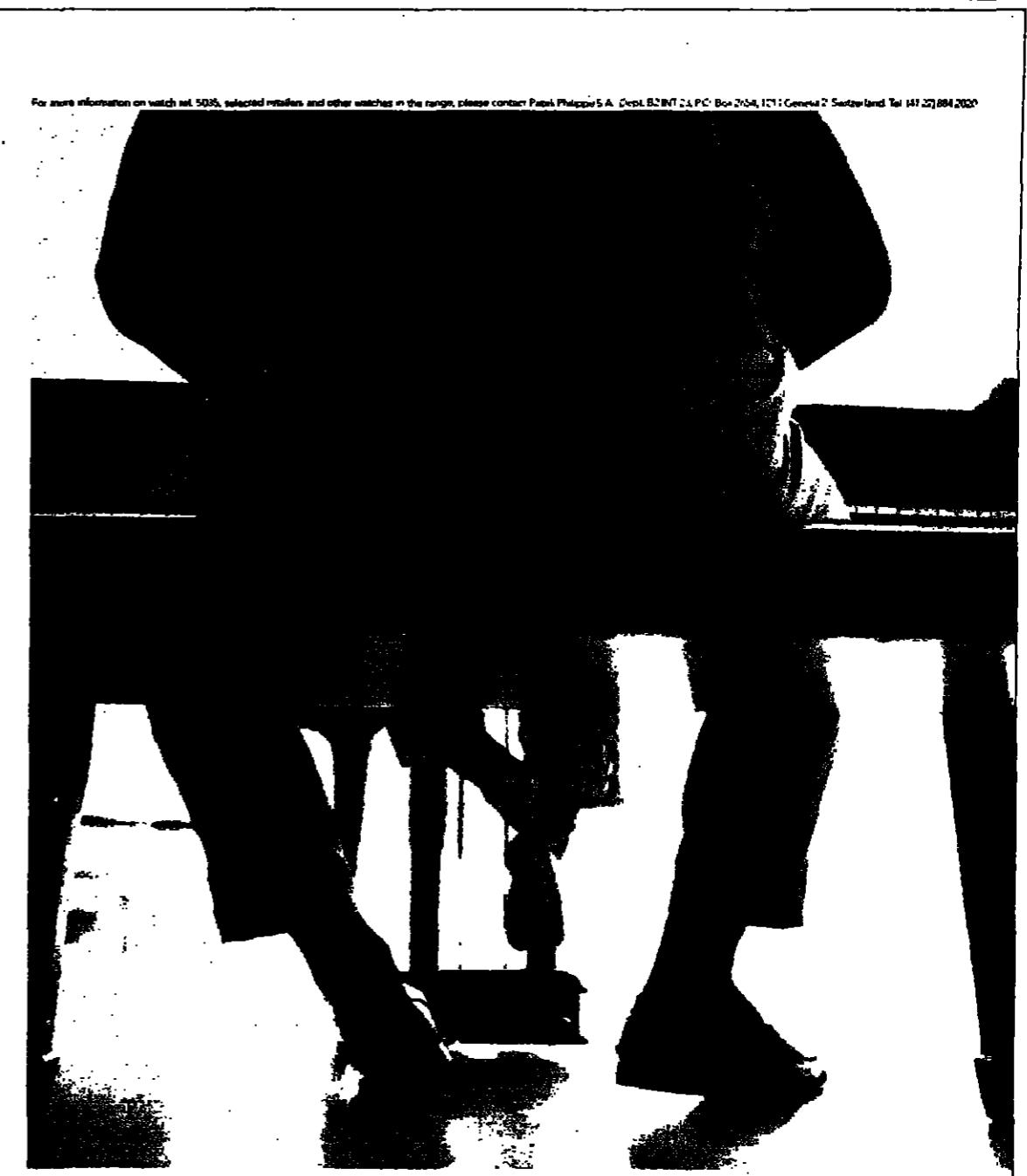
Charity gift fair

Some of you may be surprised to note that How To Spend It has managed to get almost to the beginning of November without a mention of Santas, reindeer, trees or even fairy lights.

Those who believe in doing their Christmas shopping at what I call sensible times - like, in the few weeks or so before Christmas and not in the previous January sales - might like to know about the Cancer Relief Macmillan Fund's annual Christmas Market. It is the largest charity gift fair in the country with a wide range of presents on sale and all the stallholders not only pay £100 for their stalls (which, of course, goes to the charity) but they also give 12½ per cent of the takings. Last year the fair raised £110,000.

This year it will be held on Tuesday November 12 at the Royal Horticultural New Hall, Greycoat Street, London SW1.

There is an entrance fee of £3 (senior citizens and children free) and the market is open from 10am to 4.30pm.



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The Financial Times plans to publish a Survey on
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on Thursday, November 28

The world's airports will have to deal with an expected doubling in the number of air travellers over the next 20 years. They will have to do so while ensuring their customers remain safe from terrorist attack and while environmentalists oppose expansion of their buildings and runways. This Survey will analyse and assess developments in the industry.

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FASHION

Perfectly mismatched for evening

Sumptuous stoles are back, says Karen Wheeler, and if you mix animal with rose prints, the clash achieves the ultimate effect

There is nothing like a sumptuous evening coat for making a woman feel pampered. Even the most modest of evening dresses deserve to be wrapped around in something a little more glamorous than the everyday garment that braves public transport and the office.

This year, the choice is more tempting than ever. Designers have come up with desirable ways of wrapping up elegantly against the cold, from fake fur stoles and duchesse satin wraps to strikingly patterned evening coats and opera cloaks.

Italian label Dolce & Gabbana deserves much of the credit for injecting both the stole and the short, shrug-on 1950s style evening coat with a younger, high fashion image. Until the trendy Italian duo sent a fake mink version down the catwalk recently, the stole had become almost a vestige of another era – associated only with grand maiden aunts and dotty duchesses.

Similarly, until recently the evening coat and dress ensemble was considered too formal to be fashionable. Dolce & Gabbana, however, has vamped up its image with irreverent, deliberate *mismatches* – teaming a zebra print shrug-on coat with a strapless, cherry dress; or animal prints over rose print dresses, for an antique-store look.

Many designers including Roland Klein and Christian Lacroix are offering fastidiously matched dress and coat ensembles, which undoubtedly look chic. However, the best advice is to buy a coat which can be worn over other pieces in your wardrobe. After all, the beauty of a richly patterned evening coat is its ability to transform even the plainest dress with minimal effort.

There are other reasons too to embrace the opera coat this season. Current fashion favours a more overstated look and the little black dress will no longer suffice on its own. An opera coat or luxurious wrap or stole can be worn over anything from a sequined shift to a trouser suit and is a good way of covering bare upper arms and shoulders.

It is more than three decades since the stole was a fashionable item. In the 1940s and 1950s elegant women rarely stepped out in the evening without clutching a swathe of fox, chinchilla or mink around their shoulders. Now the stole is back and is being hailed as the luxury accessory of the season – although these days it is more likely to come in velvet, silk or duchesse satin.

Some of the best designs around are by "Wonderful



■ Above: Zebra print evening coat, £750, over black dress, £480, both by Dolce & Gabbana, 175 Sloane Street, London SW1. Gold wedding ring, £1,100, by Cox & Power, 95 Walton Street, London SW3 (tel 0171-589 6335). Gold satin bag, £155, by Anya Hindmarch, 91 Walton Street, London SW3 (0171-584 7844).

■ Above right: Grey duchesse satin trench coat with mink trim, £2,800, worn over matching dress, £1,800, made to order by Isabell Kristensen, 33 Beauchamp Place, London SW1.

(tel 0171-589 1788). Ear-rings, £55, by Van Peterson, 194-196 Walton Street, London SW3 (tel 0171-584 1101). Diamanté evening bag, £230, and diamanté strap shoes, £199, by Ferragamo, 24 Old Bond Street, London W1 (tel 0171-629 5007).

■ Right: Pale pink velvet wrap, £149, over navy satin shift dress, £283, by Wonderful Wraps from Harrods, Knightsbridge, London SW3 (tel 0171-627 0045 for stockists). Multi-coloured beaded necklace, £400, and earrings, £24, by Pellini Bijoux,

from Liberty, Regent Street, London W1 and Harrods, Knightsbridge, SW3.

■ Below right: Silver silk organza trouser suit, £1,410, and silver panné velvet tasseled stole, £375, made to order by Robinson Valentine (tel 0171-584 1476). Diamanté hoop ear-rings, £110, from Van Peterson, 194-196 Walton Street, London SW3 (tel 0171-584 1101).

■ Below left: Purple satin coat, £1,798, over matching dress, £1,900, both by Christian Lacroix, 8a Sloane



Street, London SW1 (tel 0171-235 2400). Beaded wire necklace, £79.95, by Manguette, 28 Kensington Church Walk, London W8 (tel 0171-537 2897).

■ Pictures Wendy Carrig

■ Make-up Denise Lilley

■ Hair Esther Chandler for Paul Mathews

■ Fashion Assistant Lorraine Pearson

■ Shot on location at The Collection restaurant, 264 Brompton Road, London SW3.



Wraps", a label started nearly three years ago by Olivia Manduca, who discovered a gap in the market through her own hapless attempts to find a cover-up for her winter wedding.

"I wanted something really opulent to go over my cream Catherine Walker dress," she says, "but I couldn't find anything glamorous enough. I went to all the designers and considered having something made

before deciding to do it myself."

The emerald green velvet wrap that she eventually created provoked such a reaction among friends that she decided to go into business. Fans included Shakira Caine, wife of actor Michael, and several glossy magazine fashion editors. Manduca now sells her designs through department stores, including Harrods, and has recently branched out into velvet opera cloaks and satin evening coats.

"Besides keeping out draughts and cold, a wrap can really transform an outfit," she says. "A ruby red stole for example, loosely tied over a plain black dress, looks very dramatic." Her wraps come in a wide variety of beautiful fabrics (everything from organza to fake fur to tulle) and colours (jewel shades of emerald and ruby and ink blue for autumn as well as up-to-the-minute colours such as pistachio, petal pink and hydrangea blue). Most are interlined and padded for warmth and are substantial enough to be worn on their own over an evening dress.

Robinson Valentine, the duo which counts Viscountess Linley as one of its best customers, does a very simple, full-length velvet coat with long side slits as well as lightweight coats which can be worn all evening.

The duo teams evening coats with trouser ensembles for a look that is perfect for dinner, the opera or winter weddings. A particularly clever idea is a silver grey trouser suit which comes with a dramatic tasseled, shot velvet wrap. "It's ideal if you don't have time to go home and change before going to an evening function. Just add the wrap and the outfit takes on an entirely different dimension," says Valentine.

While a velvet cover-up is relatively cheap, a good opera coat usually costs a lot more because they are mostly made from expensive fabrics. Among the most extravagant are Neil Cunningham's black satin 1950s-style opera coat over a black lace dress; Christian Lacroix's floor-length shimmering metallic dressing gown style and Isabel Kristensen's sea green sequined shift and matching short coat.

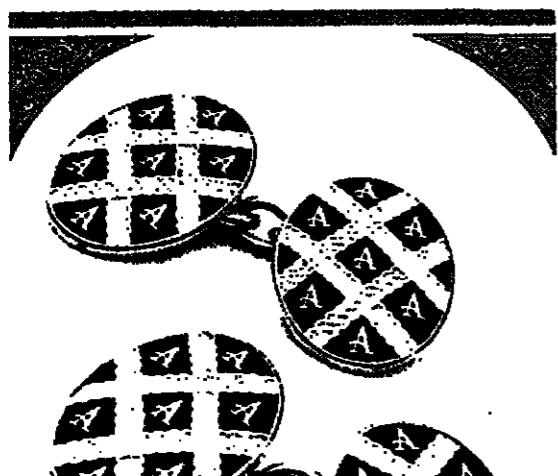
Dolce & Gabbana still have

some evening coats in animal skins or vintage floral prints left – a pale blue silk brocade coat sold out long ago in spite of its £850 price tag.

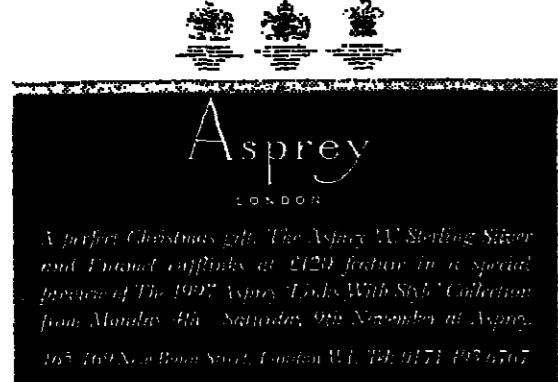
A good high street buy is Jaeger's black satin opera coat with bright pink lining (£299) while SportMax has an elegant lime green and white brocade evening coat (£355). This is designed to be worn over matching trousers but would look just as well

over a short, shimmery shift.

Once you have invested in an evening coat, do not be afraid to mix it in with the existing evening pieces in your wardrobe. As Dolce & Gabbana have shown, if it clashes so much the better (the only rule is not to wear a short coat over long). And since these cover-ups are far too chic to be stowed away in the cloakroom, you could be forgiven for keeping them on all evening.



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TRAVEL

Where tunas rain from 'tempy skies'

An addict of Calabria, Nigel Andrews discovers yet another side

It was one of those grey, gusty Mediterranean days when, with nothing more sybaritic to do, one browses through the local tourist brochure wondering whether to translate its "English" back into more comprehensible Italian.

"Calabria will amaze you with its environmental and panoramic mutability," declaimed my pamphlet, "which sweetens any ruggedness during the route which from the mountain leads to the two seas." Pure poetry. Someone should collect these manuscripts for an anthology of *vers trouvés*.

The two seas invoked are, of course, the Ionian and Tyrrhenian and the mountains I was nesting under are on the second. Long an addict of Calabria, that scaly dragon's back bristling with arid forests and archaic villages between its modestly populated beaches, I used to haunt the other coast. But a favourite lady hotelier, who cooked fine food and spent impeccably dressed evenings with her guests *al fresco*, shooting mice with a shotgun as they high-wired across her electricity cable, went out of business.

You may well say "not surprising"; but her villa-style hotel in Roccella was one of the unknown wonders of Italian travel. My mouth still waters at the memory of her cooking, including a macaroni with gorgonzola *per morire*. After her hotel's closure I spent years seeking an adequate replacement on the "toe".

Some time ago I found it. Here I am now on the Capo Vaticano, Calabria's answer to the Cape of Sorrento, paying high prices for the more organised beauty of the Albergo Baia Paradies. Circumstance sends me here in September, driving down from the Venice Film Festival, but anyone with choice should go earlier.

The prettily furnished Hispanic chalets, cascading down a hillside lush with

ougainvilles and prickly pear, are a delight at any time. So is the sea, which is among the cleanest in Italy and edged with white sand. So are the dinners, served on a high-roofed terrace.

But the mountain thermals encourage dodgy weather in September. On my first day this year, sauntering back from a bathe, I met the maids as the clouds were massing. With my Italian still not in top gear, I said, "Brutto tempio", which I thought meant "bad weather" but actually means "ugly temple". They nodded bewildered assent. Then I pointed up to the clouds again. "Tempo" I exclaimed, wishing to signify "thunder". The maids went into mysterious giggles. The word *torno*, I later realised, unlike the word *tunno*, means tuna fish.

The advantage of this hotel is that on bad days, when tunas rain from tempy skies, you can drive the three miles to Tropea. This is the gem of the Capo, perhaps of Calabria. Honey-coloured medieval houses rise from a sheer rock overlooking a turquoise sea. By road you can either pierce straight to the town centre, or a jumble of cobbled streets and baroque facades built around a sunny piazza; or you can halp in down to sea level and goggie up at the cliff-top dwellings, which

seem to grow straight from the limestone.

The place was founded, my brochure claims, by either Scipio or Pompey or possibly Octavius Caesar. "Possibly" is word that in Italy you can swing around like a censor. Possibly Dante stayed here; there is a plaque to him. Possibly Garibaldi slept over; it was on his way to Sicily to Naples.

Everyone who comes here

should climb the stone steps to the Church of Our Lady of the Island, a picturesquely Byzantine-style sanctuary perched on an astol in the sea. It is not quite an island. You climb straight off the beach, up past the cave of a net-mending fisherman, into the cliff-top haven whose roof terrace eyeballs Tropea's own steeping bluff.

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TRAVEL

Lost for words in the Glens

Kieran Cooke marvels at the unspoilt beauty of Antrim

William Makepeace Thackeray, travelling round Ireland in 1842, had an idea or two about how to enjoy such journeys. Rattling along the north-east coast between Belfast and Ballycastle in a horse-drawn coach, he was pleased to find he was in good company.

"There is no harm in saying that there was a very pretty smiling buxom young lass for a travelling companion; and somehow, to a lonely person, the landscape always looks prettier in such society."

By the time Thackeray reached the Glens of Antrim he was almost lost for words. "In joining together cataracts, valleys, rushing streams, and blue mountains, with all the emphasis and picturesqueness of which type is capable, we cannot get near to a copy of Nature's sublime countenance."

Thackeray was a lucky chap. Not only did I not have a travelling companion, I could hardly see the Glens for the rain pouring out of the leaden sky.

Yet it was wonderful. The Glens of Antrim are one of the most beautiful parts of Ireland. Unlike Killarney or Connemara, Antrim is largely unspoilt. There are none of the US style hoardings which define the verges of the south. No sign of the litter that decorates many of the Republic's towns and villages. No Leviathan-sized tourist coaches squeezing down country roads, full of jet-lagged Americans or Japanese.

Outsiders might think most Ulstermen sound like Ian Paisley, all stone-cutting vowels and whistling teeth. Liam Blaney is the other voice of Ulster, as soft as the hill mist, as calm as an aged curate.

Liam and his wife Anne have converted a 19th century Presbyterian chapel into three self-catering apartments. "And what do you think of it here, Kieran?" asked Liam as we stood in his farmyard, the rain running down the back of my collar. Liam comes from a long line of sheep farmers. Health problems and EU cutbacks on the farm meant looking for another source of income. Now Anne does much of the farming while Liam looks after the apartments.

"All us farmers here

would be very protective of the Glens," Liam says. "The more I travel, the more I realise we have something special here."

For two days I walked from one glen to another - Glenariff, Glendun, Glenballymenon - there are nine in all. Not surprisingly given the state of the weather, the rivers and waterfalls were in full spate, thundering down peat-blacked waters from the hills above.

There were no other tourists about. Liam says that the ceasefire in Northern Ireland encouraged people to venture up from the south. "They were amazed to find such peace up here." But the riots last summer plus the resumption of terrorist violence changed things. "There was a month when we did not have one single phone inquiry," Liam says.

The glens are like one big arboretum, the trees a kaleidoscope of colours. The ash leaves were turning yellow, the nut trees red, the birch leaves brown. Neat, lush green fields were surrounded by rust-coloured ferns.

Self-catering is the answer in Northern Ireland. While standards of cuisine have improved in the south, much of Ulster is still at the indolent meat and stewed vegetables stage of eating. I would return to the chapel for a shower, a plate of spaghetti and a glass or two of wine before heading off for a few evening pints.

I discovered McCollums in Cusheen, one of the best pubs in Ireland, full of smugs, fireplaces and red faces. Thackeray stopped in the town but, this time, failed to find a pleasant companion.

At this place a good dinner of fresh whiting, broiled bacon and small beer was served up to me for the sum of eight pence, while the lady's maid in question took her tea. This town is full of Papists," said her ladyship, with an extremely genteel air; and, either in consequence of this, or because she ate up one of the fish, which she had clearly no right to, a disagreement arose between us, and we did not exchange another word for the rest of the journey."

■ **McCollums self-catering apartments, Cusheen, Co. Antrim, Northern Ireland.**
Tel 012657-61221.



Setting forth with God's blessing: the early pioneers crossed the continent for Oregon's fertile valleys to get away from economic depression and pressure on the land

Painting by Albert Bierstadt. (Oregon Art Library)

Winding west with a mission

Nicholas Woodsworth joins the trail of America's pioneering farmers and settlers to Oregon

How does one spend a Saturday night in the town of Lincoln, Nebraska? At a Cornhuskers football game? At the blues bar known as The Zoo? Both were tempting. But with the next civilised place, Denver, lying 500 miles westward across the prairie, civilisation had become a commodity I felt I should stock up on.

So off I strolled across the campus of the University of Nebraska to an evening lecture at the Great Plains Study Center. Does that sound impossibly dull? For many people the only duller prospect might be the great plains themselves. I, certainly, was not contemplating with any pleasure the empty miles that stretched away to the Rocky Mountains. "Just staying awake behind the wheel was my concern. Then I started listening to the man behind the podium, Mike Farrell. He has been making documentary films about the great plains for more than 20 years, and is still wide-eyed and awake. The plains excite him, and, in the end, they excited me.

Farrell is too busy crisscrossing the prairie to spend much time in Lincoln lecture halls. He had just arrived from a ranch where CNN's Ted Turner is planning to run one of the largest bison herds in America. He was soon to leave again to begin a film on the Indian tribes of Oklahoma. But he found enough time the next

day to talk long and passionately to me about one westward route he is particularly fond of - the Oregon Trail. Follow it away, he advised me. And so I did.

Just over 150 years ago American farmers and settlers living to the east of these plains began taking the same advice, striking out across the continent to settle in the fertile valleys of Oregon in the Pacific north-west. They did so partly because of economic depression and increasing pressure on the land. But they also left with a sense of divinely ordained mission. In the 1840s the United States ended at the Missouri River. Rapid expansion westward by Oregon, trudging along behind their heavily loaded, ox-pulled covered wagons. Nor did the hardships encountered - heat, cold, exhaustion, hunger and the biggest killer of all, cholera - deter those first pioneers who set out in the early 1840s.

The trickle soon turned into a tide. Mormons seeking religious freedom in Utah and adventurers seeking gold in California added to swelling numbers of Oregon pioneers. In peak years more than 50,000 people walked the rutted tracks that linked east to west, covering 15 to 20 miles a day for six months. By 1870, when the newly completed trans-continental railroad made it obsolete, up to half a million people had travelled the Oregon Trail, making it the largest overland migration of modern times.

Any knight-errant pushing westward to the Pacific would need such a grail. I thought as I made my way down Highway 30 along the Platte River Valley in Central Nebraska. Even this easiest part of the trail can seem inhospitable. The Platte - "too thick to drink, too thin to plough", as the pioneers had it - wound sluggishly over a bleak, nearly featureless plain as a cold wind blew my

van all over the road. I knew I had no right to complain. Starting from the banks of the Missouri, the overlanders did not ride, but walked the 2,000 miles to Oregon, trudging along behind their heavily loaded, ox-pulled covered wagons. Nor did the hardships encountered - heat, cold, exhaustion, hunger and the biggest killer of all, cholera - deter those first pioneers who set out in the early 1840s.

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in his documentaries, is why the Oregon Trail remains an important and living story - Manifest Destiny encloses within itself contradictions that continue profoundly to affect America today.

If white America created the myth of the scalp-hunting savage to justify its own systematic wiping out of an indigenous culture, Americans remain fascinated by the Indian spirit and way of life. Similarly, there are great contrasts between the country's eternal wanderlust, from *Huckleberry Finn* to *On the Road*, and the nation's longing for roots and community. So, too, is there a contradiction between America's love for the great, unspoiled outdoors and its compulsion for development and growth at any cost. All these things are brought sharply into focus along the Oregon Trail.

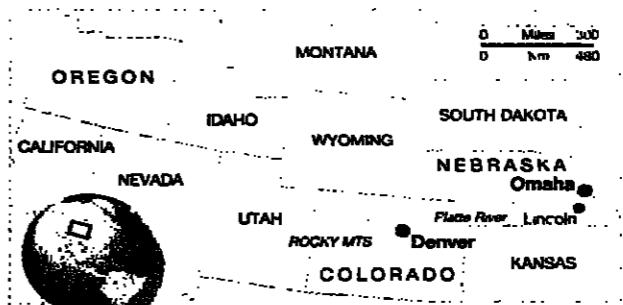
What also merged into focus for me the following day was Chimney Rock, one of the most famous signposts along the Oregon Trail and an enduring symbol of the

American west. Visible from 30 miles away, this remarkable towering rock, shaped like a tall inverted funnel, provoked both the joy and fear in every settler on the Trail. It meant that one third of the journey was complete, but it also meant that the difficult part was about to begin. Behind lay the flat prairie. Ahead lay high-altitude deserts and beyond them, the Rocky Mountains. Like countless overlanders before me I scurried up Chimney Rock, and found the going tough in thin, high air.

I did not, like other countless overlanders, carve my name in the stone of Register Cliff further down the Trail near the Wyoming border - the hundreds of names still preserved there from the 1850s now form a monument to those many unnamed settlers who lived and died on the trail.

I did, however, scramble about the wagon-wheel ruts worn 5ft deep into solid rock not far away. There are few places more eloquent of human passage in America. Here, indeed, was civilisation.

And so, when the group leader of a large red, white and blue bus of the Adventure Express tour company shouted: "OK, Pioneers, let's go!" to the party of foreign tourists also milling about the ruts, I snapped to. If America, as it is fashionable to say today, is a journey, then we were all overlanders. I was happy to heed the call to move on west.



Transports of delight around Amsterdam

Who needs cars when you have an efficient system of trams, trains, buses and ferries, asks Pat Walker

A group of small children in Wellington boots and anoraks is engaged in heated discussion over a tricycle. It is drizzling and the sky is ominously dark. The children settle their argument and one rides off. The rest embark on an intricate game of pretend. There is not an adult childminder in sight.

A 1950s rural idyll? Not at all. This is the Netherlands in 1996. More precisely it is Broek in Waterland, a 20-minute bus ride from the centre of Amsterdam. The main street, flanked by neat wooden houses, several dating from the 17th and 18th centuries, leads to a lake, abundant with waterfowl, and to the much restored 14th century church of St Nicholas.

Every garden is lovingly tended. Orderly rows of herbs and blossoms lead the eye to living room windows through which can be seen bookcases and pianos. In the past, visitors removed their wooden shoes before entering the village, so clean were its streets and homes. Even Napoleon is said to have taken off his boots when he visited the burgomaster in 1811. The pavilion in which they met is still perched over the lake.

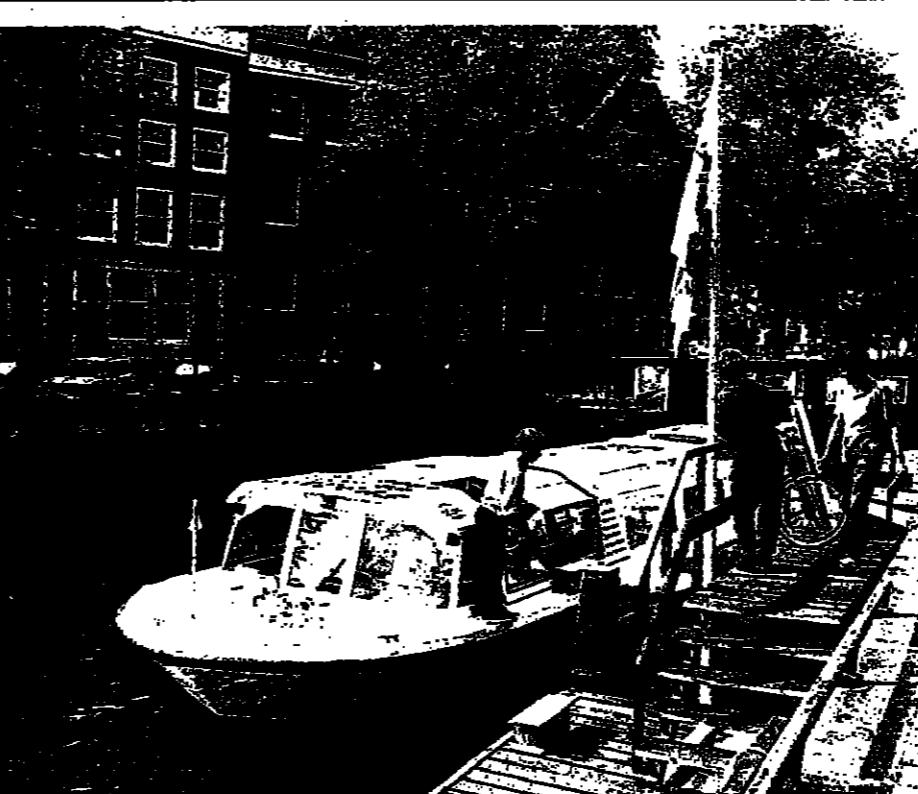
During a four-day stay in Amsterdam, where trams and bicycles reign supreme and pedestrians and motor-

ists have learned to know their place, the efficiency, comfort and economy of Dutch public transport made it possible to pack in what felt like a fortnight's sightseeing.

Trams clear an unrelenting pathway through the middle of the road; cycle tracks claim right and left edges. Pedestrians negotiate bollards and other pavement impediments on the narrow paths allotted to them and cars go by in single file between the trams and the cyclists.

Our bus from Broek to Marken skirted the picturesque waterfront centre of Monnickendam and took us through its residential area where the houses are built round water rather than a village green, and children sat fishing outside their front gates. We branched off across the reclaimed polder to Marken. On either side the IJsselmeer - the vast lake created when the Zuiderzee was cut off from the North Sea - crashed against the dyke and storks, herons and cormorants rested on roadside posts.

In Marken, an island until 1857, wooden houses, clustered together for comfort and safety against the elements, are a sombre green, built on poles left open so that the waves could pass between. The area around the church is bleak, silent and plain, the domain of an



Scenic route: the canal bus is just one of the many transport options in Amsterdam

Lynne van der Meer

(with the bonus of a rational ticketing system) is compulsive so that even after a normal - even excessive - day's sightseeing in Amsterdam, it was difficult to resist another excursion outside the city - starting at 6pm.

From The Hague, a tram takes an hour to reach Delft, Vermeer's birthplace, a town dominated, as in the painter's *View of Delft*, by its old and new churches, dating from the 13th and 14th centuries. Peaceful canals encircle the centre and its wealth of historic buildings.

The novelty of cheap and frequent public transport

windows colour the light inside. Shop windows are abundant with the round cheeses for which it is world famous. By 8pm we were back in Amsterdam.

The Netherlands' largest city is notorious for car theft; especially vulnerable are foreign cars. Drivers stick "there is no radio in this car" notices on their windscreens. But even they are not immune. One sticker complained that the vehicle had been broken into 10 times. "And there is still no radio and no luggage."

Cars... who needs them in a country geared to rapid public transport and where the cyclist is king?

Euroff.

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SPORT

On the face of it, success in sport, with its emphasis on purpose, determination, singularity, and sheer bloody-mindedness in the pursuit of achievement, would seem to be an ideal training ground for the political arena. And indeed many sportsmen and women have graduated to various elected offices around the world.

Yet while the occasional renowned artist has achieved the ultimate honour, as president or prime minister - Leopold Seengh and Vaclav Havel, probably being the most prominent (pace Ronald Reagan) - the electorate around the world has thus far balked at giving the highest office to a former "jock".

There is no shortage of candidates, as the role of Jack Kemp as Bob Dole's Republican running mate has highlighted. When Kemp was introduced to a wider public, much was made of his former glory as an all-American quarterback. But he stumbled on the way to the end-zone after a mediocre performance in the vice-presidential debate - he is also tainted by his very membership of what appears to be the losing team.

Sports personalities lined up with varying results in Japan's general election last month. A sumo wrestler, Kyukodan, won for the



Competitive candidates: Imran Khan, all-rounder; Vaclav Havel, an example from the world of the arts; Jack Kemp, quarterback; Sebastian Coe, repeat winner; and Gerald Ford, footballer

From playing field to politics

Is sport the ideal training ground for the bruising arena of higher office? Pat Butcher reports

Shinshinto (literally, the New Spirit) Inoki, a former professional wrestler remembered for a comical ring confrontation with Muhammad Ali, formed the Sports Peace party in 1989 and remains influential during the country's present phase of unstable coalition governments.

In the US, Bill Bradley, a talented basketball turned democratic senator for New Jersey, had been the best known former sportsman in the political limelight. So

well respected was Bradley, that when last year he announced what was seen as a tactical retirement, it was greeted with widespread speculation that he was planning an independent campaign for the White House.

That move seems to be on hold at the moment, but do not be surprised if it is resurrected in four years, or that he is seriously considered as Al Gore's running mate for

the millennium elections. Hollywood and a bustling media in the US have conflated to create a most refined cult of personality. But using sporting celebrity as the springboard to success in politics is spreading around the world.

In Pakistan, Imran Khan, the cricket all-rounder, has launched the "Movement for Justice Party" to popular acclaim. And in Britain, ex-international runners have

cornered the market as political players. Christopher Chataway retired early after holding two Conservative ministerial posts 20 odd years ago, while Menzies Campbell locked himself and his ambitions into the minority Liberal Democrat party.

Chataway, world record holder and 1950s Olympian, says that sporting celebrity is a double-edged sword, while disarmingly admitting

that he may have lacked the ambition to make it right to the top of the House. "I was very conscious of people saying 'he's an athlete, what does he know?'" It's not a fatal handicap being a sportsman, but you do have to work that much harder to overcome it. Maybe you're never quite as hungry again. Because politics requires a lot of sacrifices. You've got to want it an awful lot."

Campbell, an Olympic sprinter in the 1960s and a successful advocate (the Scottish term for barrister) in his party's spokesman on foreign affairs and defence. "Oh, and Sport," said a party press officer last week. "My three activities - sport, the bar, and politics - all require a healthy competitive instinct," Campbell says.

"You win and you lose races and cases, so I felt I had a good background for parliament. But, although celebrity is a valuable asset, it's only a foot in the door. You have to work very hard."

No one who saw Sebastian

Coe come back from ill-fated in the Moscow Olympic 800 metres, to win the 1500 metres, and then become the first repeat winner, would doubt his competitive instinct.

Recently promoted to Conservative junior whip, he also sees clear parallels. "There is an analogy, it's remaining steady under fire. You tend to find out a lot about yourself in the half hour before an Olympic final."

Whether that will be enough to take him to the top in this pursuit remains to be seen. He says that when he entered parliament four years ago he did not consider the sports ministry as the pinnacle of his ambition.

The fickleness of popularity as a political representative can be easier to deal with after soaking up the praise and abuse of professional sports. When Jack Kemp was elected to the House of Representatives in 1970, he said, "pro football gave me a good sense of perspective" on politics. "I had already been booed, cheered, cut (dropped from the team), sold, traded, and hung in effigy."

But the head-high tackles can be at least as bruising on the political playing fields. Lyndon Johnson once took cruel aim at another ex-American footballer, Gerald Ford, the transitional Republican president after Richard Nixon: "The trouble with Ford is that he played one too many games without a helmet."

Nonetheless, Coe claims to have coped with the transition and the loss of some popular support.

"Apart from small pockets in Gateshead and Brighton (home to rival athletes, Steve Cram and Steve Ovett), when I was running, I felt everybody in Britain wanted me to succeed. I have to accept nowadays that, at any given time, over 50 per cent of people want me to fail."

Winter Olympics / John Samuel

The market for games

Cynics say a modern Olympics is all about power, money and drugs, set to a television jingle. How, then, can the Mormon centre of Salt Lake City, Utah, the next US city to host a Games, improve the image when it stages the 2002 Winter Olympics?

A city of a million people, it was founded on the Mormon belief that the people of the world form one vast tribe and the last great coming-together will be in the US Midwest.

But the city's plans for a Winter Olympics are based on its ethics of hard work, the desire for excellence, and of family unity, says Mike Korologos, organising committee media director. "I'm a Greek boy, not a Mormon," he said, "and 52 per cent of Salt Lake people are not Mormons. We were picked for our preparedness."

He says every venue except one is between 10 and 30 minutes of the university-based Olympic village. The exception is Snow Basin, 55 miles away and one of the few approachable mountains in the Wasatch range with a slope capable of a forming a downhill track.

Salt Lake, Korologos says, would have been ready for 1998 Games, but they are to be held in Nagano, Japan.

Salt Lake sent 13 organisers and officials to study last July's Atlanta Games, which reinforced corporate America's grip on the Olympic movement. Juan Antonio Samaranch, president of the International Olympic Committee, said bluntly on the last day: "Sport must be directed by sport itself, not by commercialisation, as was the case here."

The self-financing 1984 Los Angeles Summer Games was the watershed. It was founded on "Made in America" commercialism and watched on television by 2.5bn people. It made a \$25m surplus, and the Soviet boycott notwithstanding, set a pattern most bidding cities seek to emulate.

The IOC may be calling for government guarantees, but that is not American style, and Salt Lake will be market-driven, the same as Los Angeles, Calgary and Atlanta. It is supported by a state referendum which in 1989 agreed to a levy of one sixty-fourth of one per cent from sales tax.

That is expected to provide \$62m on a rolling programme of advance spend-

ing. This includes the new Winter Park bobsleigh, luge and ski jump park, the roofing of the speed skating oval, and a new hockey and figure skating ice rink at Ogden.

A Winter Games budget is about \$800m, and Salt Lake will finance 2002 largely on the back of a record \$550m TV contract with NBC. Salt Lake Olympic Committee's share is \$327m, and sponsors will contribute \$350m. Ticket sales and the like are expected to cover the rest.

Past Winter Games have left behind them a crumbling legacy. The facilities built for the 1968 Grenoble Games have gone to ruin; the bobsleigh run and cable cars were demolished after Sapporo in 1972; Lake Placid in upstate New York had to be bailed out by taxpayers.

Albertville, France, in 1992, was a regional government initiative and its organisers believe the gains in publicity and transport infrastructure were worth the problems of dealing with the under-used left-over facilities.

Lillehammer in 1994 was a great success on snow and ice, and environmentally set a standard, but was a financial disaster. The proposed 1993 budget of \$133m bolted away to \$93m and a deficit of \$661.4, all of which had to be recovered from the taxpayer. Inflation, lack of venues and infrastructure, organisational inexperience, and governmental over-building all played a part, as of course did environmentalism. The \$29-million Hamar Hall, for example, was moved 70 metres away from a bird sanctuary and its entrance turned around, all at huge cost.

Summer Games, many times larger, must be compared with caution. Utah Business Magazine reported on the Salt Lake delegation's visit to Atlanta. "They came back bullish that they had identified most potential pitfalls. Inwardly, however, one wonders if they aren't half-seriously questioning what they got themselves into."

The delegation identified transportation and communications problems, which they think can be overcome. And whereas Atlanta had 240,000 accreditations for everyone connected with the Games, Salt Lake will have 40,000; Atlanta had 16,000 athletes, Salt Lake expects 2,400.

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Cricket

West Indies on the warpath

Defeat by Australia last year hurt badly. Now is the chance for revenge, writes Canute James

It was a positive West Indies team which arrived in Australia this week for five Tests and a series of one-day internationals that will include Pakistan. Being classed as underdogs is a feeling new to West Indies players and administrators. But there is unbridled confidence about the team's chances of re-establishing itself as the best in world cricket.

Supporters refer to this as the "Revenge tour" - last year, the Australians ended the West Indies 20-year unbeaten run in Test series. But the team's indifferent showing in the World Cup earlier this year does not augur well - including, as it did, a defeat by Kenya's deserving amateurs.

In recent times, Australian Test performances have been dominated by the guile of leg-spinner Shane Warne and the tactility of the all-rounder Waugh twins. This time, though, the outcome of the series may be determined more by the West Indians' disposition off the field.

For one thing, there are signs of an end to the open feuding among players, and between players and officials, that troubled the team for two years under the leadership of Richie Richardson and tour managers Wes Hall and Andy Roberts.

Clearly, not all the wounds can have healed in so short a time. But a long and hard series against what is, arguably, the world's best Test nation at present (despite India's recent victory and Wisden's ratings), is perhaps the best way to find out how far

the healing process has gone.

Much has changed in West Indies cricket in recent months. New captain Courtney Walsh, cricket's ultimate gentleman, cut his teeth against the relatively soft opposition offered by New Zealand earlier this year and was not found wanting. Brian Lara, the vice-captain, appears to have abandoned his former truculence and has become a more responsive and responsible influence in the team.

Clive Lloyd, a former captain who has enormous respect from both players and supporters, is manager. Lloyd, who spent much of his career with Lancashire, is noted for his success in creating teams out of diverse, and often difficult, personalities. Equally significant is the appointment as coach of Malcolm Marshall, the West Indies' most successful fast bowler in Tests. He, too, is a much respected figure.

Perhaps most important has been the change at the very top of the administration, with Patrick Rousseau becoming president of the West Indies board of control. Much of the blame for the team's recent problems was attributed to the board. Critics say it appeared inflexible and



Up with the pace: Courtney Walsh (left) and Curtly Ambrose (right) will lead the West Indies' attack

moved too slowly in meeting the concerns of the players.

There are signs already that more attention is being paid to them. The decision to offer the top players competitive contracts to keep them at home for a longer domestic season, and to engage them as coaches, is one indication of a more enlightened approach.

No one doubts the individual quality of West Indian players. Among the batsmen, Lara will find support from Carl Hooper (although, sadly, he continues to display his brilliance too seldom); Jimmy Adams, who has overcome some technical deficiencies, and an increasingly aggressive Shivnarine Chanderpaul.

The openers, however, have not been convincing. Sherwin Campbell's confidence, after a double century against New Zealand, was blunted by a poor English county season with Durham, while neither Robert Samuels, who scored a century against New Zealand, nor Adrian Griffith, who is new, impressed in the recent regional one-day competition.

The Australians will have noted that most of the wickets in that competition fell to spinners.

But the West Indies Test attack will, as usual, rely on fast bowling, headed by Curtly Ambrose and Walsh with support from Kenneth Benjamin and Ian Bishop. They will be helped by recent additions Patterson Thompson and Nixon McLean. Indeed, Thompson, who has played in one Test, could end the tour being recognised as the fastest, and perhaps the wildest, in the game.

Again, playing to form, the team is under pressure at home. West Indian supporters are unlikely to take lightly a second consecutive defeat by Australia.

Then, too, the team - the one fully functioning example of Caribbean regions' co-operation - has been threatened in recent months by accusations of discrimination in selection. The charges have come not only from spectators but from representatives of national boards as well.

This co-operation is a fragile arrangement which works when the team is winning but could be exposed painfully if Walsh is not holding the Frank Worrell Trophy - visible symbol of supremacy between the two sides - on the afternoon of February 5, the last day of the final Test in Perth.

Yachting

No losers as the boats reach Brazil

Keith Wheatley on the progress of the global challenge

After the storms of Biscay and the steamy lulls of the Doldrums, few of the yachts that finished the first leg of the BT Global Challenge earlier this week were prepared for the surprises Brazil had in store. "None of us envisaged spending the last few days of the race to Rio beating to windward wearing full foul-weather gear and even digging out the sleeping bags to counteract the cool temperature below decks overnight," said Simon Walker, skipper of second-placed Toshiba Wave Warrior.

In reality, this team has had little but success to deal with. Like Group 4, Toshiba took the most direct track to Rio, following the Great Circle route, and at one stage succeeded in making up 37 miles on the leader over a 24-hour period, as they raced neck and neck down the west coast of Africa.

To finish just two hours and 11 minutes behind the clear favourite was a considerable achievement for Walker. He is 10 years younger and far less experienced than Mike Golding, the Group 4 skipper who left Southampton as clear favourite to win the 32,000-mile race overall.

In the four years since he captained the same yacht in the first of these round-the-world contests for non-professional crews, Golding, a one-time fire officer from Reading, near London, has undertaken both another circumnavigation and countless grand prix races.

It has paid dividends in the past four weeks as Group Four has led all the way. Golding's crucial call was to cross the equator as far west as possible, successfully aiming to cut down the time in the windless Doldrums to just a few hours.

In 1992 the reverse strategy paid off and the boats nearest to the African coast broke through the calms earliest and were first into Rio. Richard Tudor, skipper of Nuclear Electric and a veteran of the earlier race, clearly remembered that scenario this week. He took his boat to within 225 miles of the Senegal coast, while the bulk of the fleet were out in mid-ocean.

However, it was one of those occasions when experience proves a poor guide, since Nuclear Electric finished a disappointing 10th, nearly two days adrift of Golding's crew.

Nearly 200 crew volunteers have paid £18,750 each to race these 14 steel 67ft yachts around the world, leaving behind families and careers ranging from mounted policeman to actor. Each person is now discovering for themselves the peculiar mixture of adrenaline and monotony that characterises

ocean-racing. "The daily routine consists of eating, sleeping and working - nothing exceptional about that," explained one crew member aboard Global Teamwork. "It is, however, worked into a shift pattern theoretically designed to optimise sleep and crew effectiveness."

"This often fails on the sleep-front due to the call for 'all hands' when sail changes or gybes are necessary."

Global Teamwork arrived at Rio in 11th place, almost three days behind the leaders. It is rare in round-the-world races for these kinds of first leg deficits to be overcome. The challenge will be to keep the crew pushing and enjoying the competition.

The same will be true for Courtaulds, a boat that was highly fancied to do well under Boris Webber, its experienced South African skipper, but which came in

Morale was high on Time & Tide, exemplified in the morbid humour

13th. Here I must declare an interest. One of the berths aboard Courtaulds for the third leg of the race between Wellington and Sydney has my name on it. As Webber and his team grappled with a blown-spark plug and then a fractured pole, limping along behind the fleet, my spirits sank along with theirs.

I should not have worried. One of the mottoes of the Global Challenge is that "there are no losers". Even the numbing task of hand-sewing 160ft of spinaker luff only to have it blow out again the following day was within their compass.

The contest still has five more legs, each of them a fiercely contested race-within-a-race. Probably no crew embodies the gritty humour that underlies the Challenge more than Time & Tide, the boat on which each crew member, from skipper James Hatfield down, has a serious disability.

Morale was always high on board Time & Tide, exemplified in the morbid humour prevailing on the boat.

This deadpan report was received from Hatfield on October 2: "Late this afternoon, crew Nigel Smith broke his right leg just above the knee joint, exposing the joint. Lesley Bowden, the medic, cleaned the wound and gave it a squirt of WD40..."

"PS: Nigel is one of our amputees."

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FOOD AND DRINK

Cookery

Where the food is robust and generous

Philippa Davenport travels to Louisiana and spots a few differences between Cajun and Creole

What is the difference between Cajun and Creole?

Before I went to Louisiana, I thought I knew. I came back more muddled, but having had a jolly good time and gained several pounds in the process of trying to sort out the culinary differences.

The Cajuns, aka Acadians, are the descendants of Catholic French folk who settled happily in Acadia, Nova Scotia, from 1694 until expelled by the British in 1755. They followed the Mississippi to Louisiana and started their rustic lifestyle ashore in the fertile bayou swamplands of Lafayette.

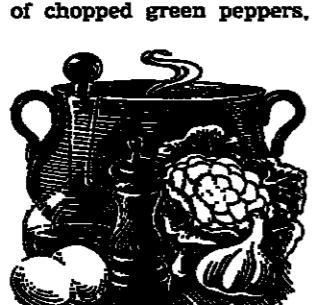
The Creoles claim descent from aristocratic French and Spanish society centred on New Orleans and boast a more refined cooking style.

I found the culinary distinctions blurred. Cajuns and Creoles appear mostly to employ the same ingredients, they favour many almost identical dishes and display African and Mexican influences.

All Louisiana cooking struck me as more robust than subtle, elegant or delicate. The people are as big as they are big-hearted and helpings are generous.

This is rice, beans and chilli country, home of Tabasco and satisfying one-pot dishes. Game is plentiful and there is apparently no shortage of sea and river foods to be caught in the warm waters of the Gulf of Mexico and the bayou.

Jambalaya (distantly related to paella, I suspect) is immensely popular, as is gumbo, a soup-cum-stew. The only clear-cut distinction between Creole and Cajun versions of gumbo seems to be that the former is roux-based, the latter is



onions, celery, chicken thighs and prawns ("whatever is to hand"). The liquid she used was plain water, the seasoning no more than salt and cayenne.

I saw Miller again in the evening, in contemporary dress, dancing nimbly at Randal's Restaurant and Cajun Dance Hall in Lafayette (tel: 318 981 7080), where conversation was all but drowned by the insistent, irresistible toe-tapping beat of the music. Cajun dancing is a convivial way to work off a few calories, but I remained at table, sucking and savouring indecent quantities of soft-shelled crabs.

To call these succulent creatures shellfish seems a misnomer in the circumstances: they are called just after they have shed one carapace in favour of growing a

larger one. They were very lightly coated with crumbs or batter and cooked without crowding in good quality oil. Shellfish featured again at a "crab boil" served in a faux-rustic trappers' cabin after a boat trip.

Most of the deck space on board was taken up by ice chests containing a brewery load of canned beers. The crab boil - over-boiled, actually - was similarly gargantuan, tipped straight on to oil-clothed trestle tables from a cauldron big enough to launder the weekly wash of a fervent Catholic family.

Out tumbled pyramids of crabs and prawns, chunks of sweetcorn and whole (wonderful) potatoes in their skins, Idaho reds I guessed.

There were bottles of mayonnaise and Tabasco, though extra seasoning struck me as unnecessary given the palate-blasting potency exuded by the giant bag of spices that had been dropped into the pot as it boiled.

New Orleans is a city of contrasts where voodoo and Catholic co-exist and jazz reigns supreme. It is more invigorating than Cajun country and offers an exciting mix of architecture, old and new.

Groups of stylish high rise designer blocks lie in happy harmony with elegant and spacious squares, the lacy balconies of old French quarter and the leafy acres of the garden district.

There are steamy jazz clubs, hundreds of eateries, more dentists per square mile than I have noticed elsewhere (a reflection of local partiality for fudge-like pecan pralines, no doubt), sleek shopping malls, bustling outdoor markets and numerous cemeteries notable for solidly built monuments and mausoleums.

(Because the city is below

sea level and has such a high water table, bodies can

not be buried underground).

Places to eat:

■ Antoine's (tel: 504 581 4422), founded in 1840, is probably the best known restaurant, famed for its soufflé potato chips (very good but not enough of them was my greedy verdict) and the dimming of lights when crêpes suzette and/or café brûlé are served. I rated the place hotter on atmospherics than cooking but perhaps I had heard too much about it.

■ The Commander's Palace (tel: 504 899 8221) seemed

more lively with good but

curiously old fashioned food, for example, a very heavy turtle soup and what was listed as "bread pudding soufflé", which was not unlike our own English queen of puddings but more soft and laced with bourbon whisky instead of jam.

Here and elsewhere you may be offered frogs' legs, snails, and andouille and boudin - but not as you will find them in France. Husk puppies are corn fritters, traditionally cooked on a campfire and thrown by a hunter to his dog. An oyster po-boy, once a modest lunch perhaps, has become an extrav-

agant fried oyster-filled baguette needing two hands and an appetite even heavier than mine to do it justice. Muffuletta is another sandwich (Italian style) that defeated me.

■ Café du Monde (tel: 504 587 0833) on Decatur Street, hard by Jackson Square, is the ideal place to sit and watch the world go by, sip coffee and eat beignets. These are hot and well blended, then whisk the pan away from the heat. Return the prawns to the pan, shower them with chopped green coriander, season with salt and toss to mix. Serve with wedges of lime and hot crusty bread to mop up the juices. Fingerbowls and napkins will be needed.

■ The Windsor Court Hotel (tel: 504 523 6000), part of the Orient-Express group, neatly poised between the business area, best shops and French quarter, offers the ultimate in luxury and service. There are more suites than rooms, each with its own doorman and hallway. As well as sweets on the pillow at night there is a local weather forecast for the next day. And on

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OUTDOORS

Seasons are no longer normal and this year's English autumn is as odd as the last five. The leaves have fallen from the limes and chestnuts but the sycamores and oaks have hardly been touched. The grass is still growing and the weeds have celebrated with their customary mischief. Everything is two weeks late in the cycle after a spring which held it back for a fortnight in natural refrigeration.

Early November has been feeling more peculiar but I have been counting my asters and reckoning that they are a serious advantage. Two years ago, I visited the National Collection of Michaelmas Daisies, beautifully kept by the Piton family at Colwall nurseries, near Malvern, in Worcestershire. The new favourites which that visit suggested have become mainstays which deserve a second tribute. Sometimes, you see a wonderful idea and succeed in killing it within 12 months. All my ideas from Colwall are alive and more than kicking. If you mistrust Michaelmas daisies, you need to look more closely.

Traditionally, their enemy was

mildew and a heavy mass of dark leaf, which blocked up the border

for two months before flowering. Most of the mildewed varieties were the hybrid novi-belgii varieties, which had brilliant colours and names which ranged from Percy Thrower to Winston Churchill. They looked as if they had been showered with grey powder from August onwards and, within two years, went into a decline.

Sensitive gardeners would never even mention them in memoirs of their gardening progress 20 years ago. They were left to be plants which the Edwards had wisely reserved for special Michaelmas borders but which were nowadays reserved for the sort of bungalow which surrounded itself with white and purple dahlias.

The mildew was a nuisance but the tall hybrids had spectacular

charm and I always tried to cope with them. I now realise that I should have looked sideways and tried the small-flowered varieties which sounded so much less exciting on paper. The advantage of visiting a National Collection is that all shapes and sizes are given a space, from which I picked out various small-flowering pinks and blues.

Several of the best small-flowered forms prefer a light soil and most of them prefer to be planted in spring or split and divided when the soil has dried out. My stony conditions suit them perfectly and I now regard them as one of my compensations for the unsuitability to most of the most fashionable old roses. I can now find that I can grow a mean Little Carlow. This particular aster has been taken up by the National Trust and, nonetheless,

strikes me as the most desirable of the small-flowered forms.

It belongs in the cordifolius group, which means that its leaves are not overpowering. It is just under 3ft high and covered in violet-blue little flowers of metallic clarity. A few plants go a long way and I recommend it to anyone. Give it a dry soil and split it up in April, not in November.

Small flowers do not mean a loss of height and impact. My other star turn is a tall, pale blue Chieftain, which holds a very handsome place towards the back of the border, up to 5ft high. It is even taller than the light sprays of flower on Aster tataricus, or the little white stars of flower which have just begun to open on the admirable Aster tataricus. Again, these varieties prefer the opposite conditions to the modern mildewed hybrids. They like a light, well-drained soil and they will tolerate dry weather, although it turns their lower leaves to brown.

My other discovery is that the season is far longer than we usually realise. With me, it now begins with the pale blue Moonlight in mid-August and will be joined by the admirably easy Aster seductus. Without mildew, the focus then moves to the

novae-angliae varieties, especially the mid-blue flowers on Barr's Blue, the pale pink of Harrington's Pink and the warmer pink of a German variety sold here as Pink Victor.

It is usually mid-October before we see the best from King George and its wonderful flush of violet-blue, although some of the catalogues claim that it begins to flower in August. October is certainly the season for the low-growing Aster lateriflorus Prince, which has very small flowers of pink-white and stems and leaves of a remarkably dark purple. These dark-stemmed asters are always worth watching. I am particularly keen on the tall Calliope.

If you only want one, it is a relatively open secret that you need Aster frikartii Monch, which has the largest lavender-blue flower in its group and uses

ally persists from July until September. All the experts have fallen for this one, from Sissinghurst to Graham Thomas. With me, it flowers much more freely if it is well fed but I would not dispute its fame as the longest-lasting daisy, an essential plant for the front of a border.

The only ones which I profoundly dislike are the dwarf forms with names such as Dandy or anything involving Dome. I am not easily persuaded to go below 2ft, and for late colour I much prefer the many varieties of Aster ericoides, which will persist into mid-November.

The Pictures will take orders from their list for dispatch next spring but if you have not made the journey to Worcestershire, many of the best forms can be ordered by mail from Four Seasons nursery, Forncett St Mary, Norwich. A few plants soon go a long way because almost all of these asters are easily divided in spring when the danger of wet soil and too much damp round their necks are past. Thereafter, they seem well able to cope with whatever eccentric autumns throw at them.

Gardening / Robin Lane Fox

A mainstay for an eccentric autumn



Skiing

Magic in the eastern mists

Arnie Wilson is enchanted by New England slopes

In the depths of winter, the weather in New England can be as dark, misty and chill as old England – and usually a lot colder.

It might be the best place in the world to be during autumn but once the spectacular reds, yellows and russets of the autumn leaves are buried beneath the snow, Vermont and New Hampshire, in the icy clutches of a December white-out can take on a ghostly desolation that makes you shudder in the half-light of the deserted and leafless aspen glades.

Skiing proverbs abound: "If you can ski in Vermont, you can ski anywhere"; or "If it ain't blue and you can't see your reflection in it, it ain't ice."

The Rockies traditionally have far better snow than the Appalachians – the mountains are much higher and more alpine, the resorts usually much bigger, and the weather often much better. Given the choice, most people would much rather ski in Snowmass than Stowe.

So why is the New England ski experience sometimes so enchanting? Perhaps it is largely subjective, but when I toured Vermont last spring, just before the arrival of "Nouveau Maple Syrup", I found the mountains – big hills, really – hauntingly beautiful and a refreshing change from the Rockies I love so much.

There is a near magical feeling you get in the mist-laden woods of the east – shared perhaps with the odd

What Vermont resorts should promote is their charm

for example, like to call itself "The Lion In Winter", or the "Ski Capital of the East"; and Killington, which trumpets on about its six mountains being the "largest ski area in the East".

Indeed, Tim Piper, sales manager, at Sugarbush considers it a crime when people make such comparisons.

"Anyone mentioning the word east when describing a resort in Vermont should be immediately shot," he says.

"It suggests that the west is automatically better, and then you get lumped together with the smallest resorts in, say, Pennsylvania.

Motoring / Stuart Marshall

Winter's self-inflicted wounds

In the next four months, at least 1m Britons are going to perform the motoring equivalent of shooting themselves in the foot. They will have to call out one of the motoring organisations to save them from the consequences of their own folly – for which read, the neglect of a few simple precautions.

Battery failure, which led to 322,000 calls for help to the AA alone in the last November-January period, accounts for one in five winter breakdowns. Nearly all are foreseeable and preventable. Batteries work hard in modern cars but rarely die suddenly. If a normally well-behaved car is reluctant to

start on the first frosty morning – be warned. Both battery, and the alternator that charges it up while you are driving, need checking.

Next on the AA's list of troublemakers are tyres and keys. Many, perhaps most, sudden tyre failures on motorway hard shoulders start as slow punctures. A tyre losing pressure overnight needs fixing or replacing. A daily top up from a garage airline will not do because it does not touch the cause, which in most cases is a nail that will eventually work out and make the tyre go down suddenly.

Well-worn tyres are more likely to fail than those with

plenty of tread pattern left. They may also be embarrassingly gripless in heavy rain, even more so on snow and slush. Trying to squeeze a few hundred miles from a badly worn tyre in winter is unwise, probably illegal and certainly dangerous.

Any driver can lose the keys or lock himself out of the car; 152,300 of them can call the AA to help last year. (If you have a spare set, do you know where they are?) Many modern cars have battery-operated, remote-controlled locking systems. Do you replace that battery at least once a year? You should.

Running out of fuel –

nearly 94,000 AA members did so in 1995 – is the worst self-inflicted motoring wound of all. Make it a rule never to let the low fuel warning light come on; fill up when the tank is only a quarter full. AA chief engineer David Lang, warns that an engine misfiring as the tank runs dry can allow unburned petrol to damage the exhaust catalyst terminally. A replacement will cost several hundred pounds.

When filling up, make sure you do not put leaded fuel into a catalysed car, or diesel into any petrol car and vice versa. Nearly 7,000 AA members (and no doubt as many again belonging to

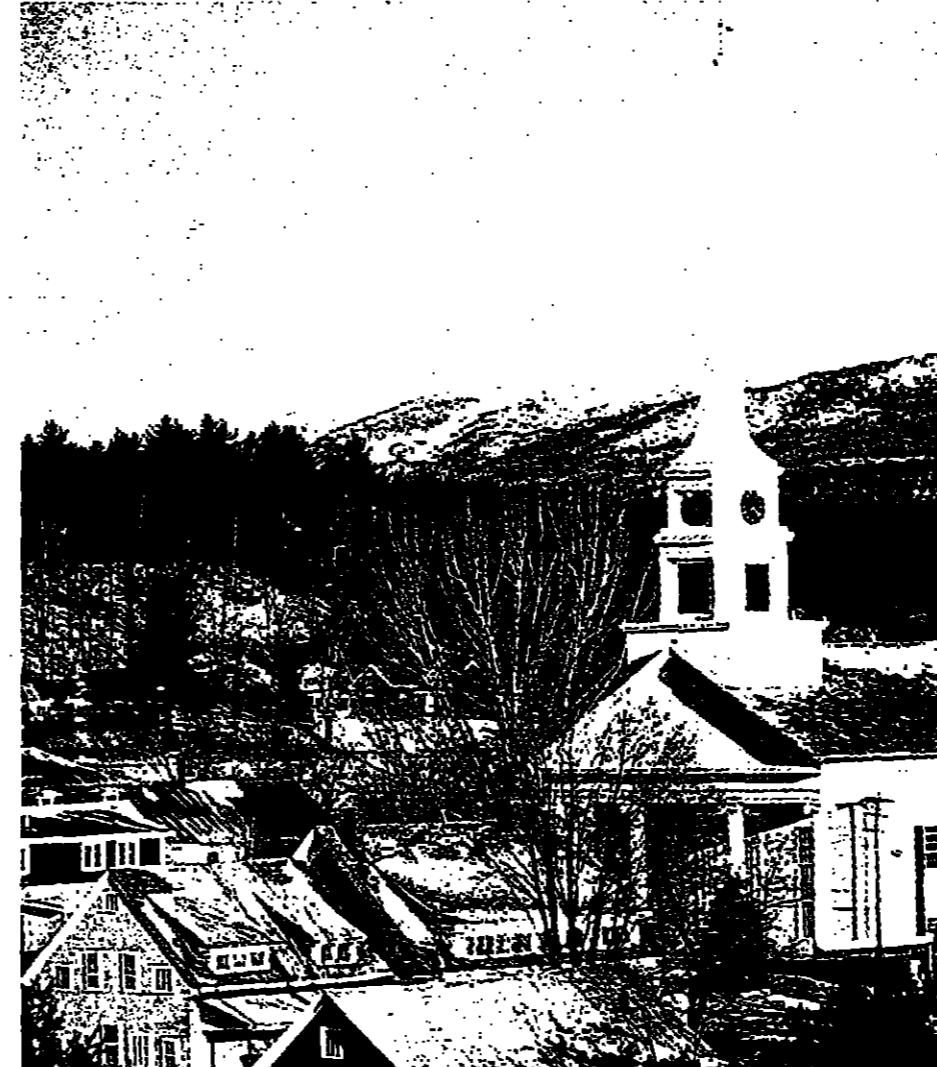
other motoring organisations) did so last year. Petrol can severely damage a diesel engine; a petrol car's complete fuel system must be drained if filled with diesel – and no garage will buy a tankful of petrol/diesel mixture back. Putting leaded petrol into a car under three years old will make the catalyst useless, as you will discover to your chagrin and cost when it has its first MOT test.

And avoid that curse of winter motoring, the frozen screenwash, by putting plenty of antifreeze additive – not radiator antifreeze – in the reservoir now instead of waiting for that first cold snap.

road. A small turning circle made parking unexpectedly easy. Mercedes-Benz UK reckons to sell 1,100 Spanish-built V-Class MPVs in the UK next year at prices ranging from £21,750 to £24,650 depending on trim and equipment. To whom? Mainly parents with several children who will use it as a family bus, says MBUK. Maybe. I see the V-Class's natural habitat as the gravelled drive of a £200 per night country hotel, ready to take guests to the airport.

If they have a lot of luggage, the hotel will need a strong porter to lift out the rear-most pair of seats; at 40kg apiece, almost in weightlifter territory.

gauge room behind. Huge sliding doors make it easy to enter and leave and rear air suspension smooths the ride. A 2.3-litre petrol engine (a petrol V6 and a turbo-diesel are coming) drives the front wheels through automatic or manual transmission. In narrow Cotswold lanes, the V-Class felt rather elephantine and the engine sounded hard-worked on steep hills but it cruised nicely on the open



Snowscape in Stowe: the New England ski experience can be hauntingly beautiful

A lift for US resorts

US ski resort operators were in a bullish mood on their visit to London this week. A series of takeovers and mergers among US resorts has unleashed big investment programmes, and managers expect improved facilities, plus demographic changes, to produce a big increase in visitors.

At a dinner hosted by Ski USA, which markets 30 American ski areas, Les Otten of the American Skiing Company and Adam Aron of Vail Resorts, the two largest ski resort companies in the US, spoke of their faith in the future and their hopes for a new generation of skiers to emerge.

Aron even promised European-style mountain restaurants: "If that's what you want, we'll build it," he said.

Otten's company now runs several east coast resorts, including Killington, Sugarbush and Mount Snow in Vermont, and Sugarloaf and Sunday River in Maine. I spoke to Otten on his home turf last season.

He is now responsible for mountains which between them attracted more than 3m visitors last year – 26 per cent of skiing in New England and 6 per cent in North America. Season revenues are expected to be more than \$200m.

While some corporate ski resort owners have stumbled in recent years by concentrating on mountainside property development, Otten's strengths lie in enhancing skiing on the

mountain and aggressive marketing.

From modest beginnings, he caught the attention of the industry by transforming Sunday River from a remote moehill with 40,000 skiers and one chair lift in 1980, to a destination mountain today with more than 350,000 skiers and 16 lifts spanning seven peaks.

That growth came as skiing across North America was stagnant, and at a time when premier New England resorts suffered declines.

Otten, a grey-haired, live-wire 47-year-old, reflected on the impact of the merger of his LBO Enterprises with S-K-I Ltd earlier this year.

"It is a moment of risk, but we are in control," he said.

As many American resorts are finding, consolidation of ownership can bring powerful operational, purchasing and marketing synergies. Otten's resort management teams, for example, accustomed to waging expensive marketing battles with each other, are now pooling resources on new campaigns to attract skiers from abroad.

The greatest risk of assembling a portfolio of resorts concentrated in New England, however, is the region's weather. "The east has one tremendous winter in a decade, one horrible winter and eight years when you have to work real hard. Our goal is to be profitable during those eight years. To do that we have to bust our hump," he said.

Todd Shapera

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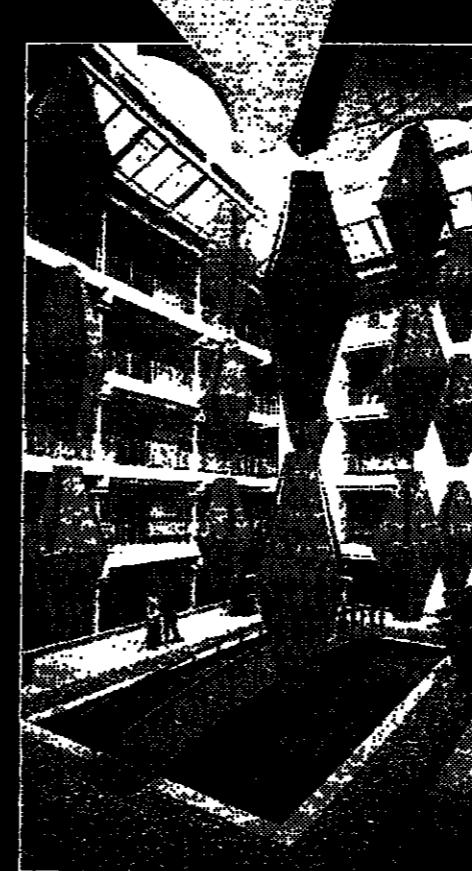
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PROPERTY

High season in the Caribbean has just started. As northerners flee the winter, it will peak at Christmas, and again in February. But visitors could come all year round, since temperatures stay between 16°C and 32°C, although summer brings the occasional hurricane.

Nevis and Montserrat are two unspoilt small islands in sight of each other in the Leeward Isles, separating the Caribbean from the Atlantic. Well-wooded and lush, they have plenty of water and around 10,000 people each. Both are thoroughly old-fashioned, Montserrat especially.

To buy a holiday home, there is only one way to start: for a holiday and explore fully before deciding to commit at least half a million dollars. "Unlike the speed of selling a period house in Hampshire," says John German of agent Cluttons, "slow and steady is the mode in the Caribbean." Buyers may need several trips.

Bring plenty to read in time of from sailing, swimming, snorkelling or golf. Snake-free, the islands are ideal for walks.

Nevisians and Montserratians are friendly people, especially James Farrell whom I met in Montserrat — the first black to be a kill-maker in the British army. Both islands celebrate the first Monday in August as the anniversary of the Emancipation Act which abolished slavery in 1834.

Together with another neighbour St Kitts, Nevis is an independent state. Its name comes from Nevis Peak (3,229ft), which Christopher Columbus is said to have christened Our Lady of the Snows (*Nieves*) on his second voyage in 1493. The English settled in 1628 and introduced sugar plantations — now mostly smart hotels — the Church of England and cricket. Nevis specialises in spin bowlers — right for an island where the pace of life is gentle.

It has two museums — the birthplace of Alexander Hamilton (the first Secretary of the US Treasury) concentrates on island history, while the Nelson Museum celebrates Nelson's marrying Fanny Nisbet of Nevis in



Tested for winds of up to 200mph: the Four Seasons development on Nevis

Laid-back Leewards

Gerald Cadogan finds Nevis and Montserrat gentle on the mind

1787, and battles with the French in Caribbean waters. Near the capital, Charles-ton town is the Four Seasons resort hotel, which supplies all the year-round resources of a good US country club, even remaking the beach if a storm shifts the sand. The real damage comes the day after a hurricane, said John Maycock, Four Seasons' sports director. "That is when the sea is absolutely raging."

Beside the superb golf course by Robert Trent Jones Jr, Four Seasons is building spacious holiday homes, tested for winds of up to 200mph. They have grand views over the course, coconut trees and lush gar dens.

At the 15th, players must

drive across a gorge (or "gut"). If the balls drop short, local children find them and sell them at half price.

Cluttons is London agent for Four Seasons, and for Isles Bay Plantation on Montserrat, a beautiful and even less developed island of deep

valleys and wooded coves. Buyers here must be self-reliant and relaxed. It has no plantation hotels, and the golf course has just 11 greens — but 18 tees for 18 holes. It is easy to arrange a boat for fishing.

Last year, after its volcano turned active, after centuries of peace. There has been no major eruption, but a lava flow has fanned out into the Atlantic and the main town of Plymouth was evacuated because of volcanic ash.

A sprinkle of ash is barely

noticeable at Isles Bay,

where architect John Renton of the London firm, Renton Welch, has planned 20 villas in an idyllic spot on the side of the valley above the golf course, with views to the mountains.

In traditional Caribbean style, his houses have high ceilings, lattice screens in the roof and louvred shutters to keep the air flowing. Air conditioning is not essential, but "a verandah round the house is", he says. "It stops the walls of the house heating up," as well as providing some extra space.

Renton believes in large swimming pools and pool terraces, and likes a pavilion or gazebo at the end of the terrace where the wind is most cooling.

Houses at Isles Bay cost between £475,000 and £1.5m.

Like Four Seasons, the development offers maintenance and rental management (taking 20 per cent of the gross rent), and the government allows owners a 15-year tax holiday on the rent. The rates are \$1,450 to \$3,150 a week.

■ Reaching Nevis and Montserrat: from Europe fly BA London-Antigua, as I did, and LIAT (scheduled) or Caribbean (charter) between the islands. From the US, many fly via San Juan.

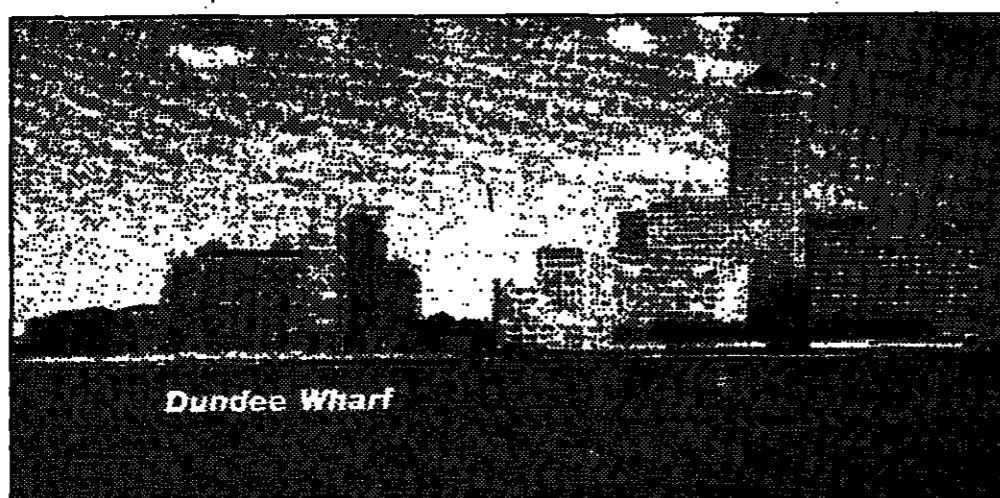
Cluttons, London (0844-171-408 1010); Four Seasons Resort Estates, Nevis (001-809-469 1199); Isles Bay Plantation, Montserrat (001-809-491 4542).

NEXT WEEK: A travel special focusing on the Caribbean

John Sallie

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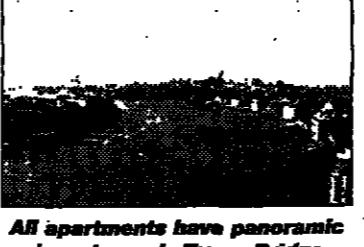
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BOOKS

Painful memories of a survivor

Kieran Cooke on a harrowing account of growing up in Ireland in the 1930s

On St Patrick's Day, 1943, Eamon De Valera, the first president of an independent Ireland, talked of his image of the nation: "...A land whose countryside would be bright with cozy homesteads, whose fields and villages would be joyous with the sounds of industry, with the romplings of sturdy children, the contests of athletic youths and the laughter of comely maidens, whose firesides would be forums for the wisdom of serene old age. It would, in a word, be the home of a people living the life that God desires that man should live."

De Valera was a romantic. The yoke of British colonialism had been thrown off but life for the majority of Ireland's population had not improved. For many malnutrition, drunkenness, unem-

ployment and brutal officialdom were the order of the day.

Frank McCourt has written a harrowing tale of life among the poor in Limerick in the 1930s and 40s. It is not a lyrical book, nor does it attempt any great social analysis. Its basic message is straightforward, driven home with a bald statement of the facts: to be poor in those times in Ireland was hell, with people forced to leave the country in numbers approaching those during the famine a century earlier. There was little romance in being a child at the time.

"When I look back on my child-

hood I wonder how I survived at all. It was, of course, a miserable childhood: the happy childhood is hardly worth your while. Worse than the ordinary miserable childhood is the miserable Irish childhood, and worse yet is the miserable Irish Catholic childhood."

Frank McCourt was born of Irish parents in Brooklyn in 1930. A sister dies, the father has drunk all the money. There is nothing for it but to return to Ireland. Eventually the family find a hotel of a home in the back lanes of Limerick. Consumption and typhoid are fester-

ing in the damp air. In breathless, stream-of-consciousness fashion, McCourt describes the daily struggle to survive and the tragedies that come knocking on the family's door.

Oliver and Eugene are twins. Frank's younger brothers. Oliver dies. "Eugene is too small to know anything. When he wakes

in the morning he says, 'Ollie, Ollie, and toddles around the room looking under the beds or he climbs up on the bed by the window and points to children on the street, especially to children with fair hair like him and Oliver. Ollie, Ollie, he says, and Mam picks him up, sobs, hugs him. He struggles to get down because he doesn't want to be picked up and hugged. He wants to find Oliver... six months after Oliver went, we woke on a mean November morning and there was Eugene, cold in the bed beside us."

The father is not only a drunk-

ard but also from Northern Ireland. This makes it doubly difficult for him to find and hold a job. He eventually goes to work in England, never to return. McCourt has no bitterness.

"I think my father is like the Holy Trinity with three people in him. The one in the morning with the paper, the one at night with the stories and the prayers, and then the one who does the bad thing and comes home with the smell of whisky and wants us to die for Ireland."

"I feel sad over the bad thing but if I can't back away from him because the one in the morning

is my real father and if I were in America I could say, I love you. Dad, the way they do in the films, but you can't say this in Limerick for fear you might be laughed at. You're allowed to say you love God and babies and horses that win but anything else is a softness in the head." But in the midst of all the suffering there is humour and warmth.

At times McCourt pours on the Irishness a bit too thickly. After 250 pages I was yearning to leave the back lanes of Limerick behind. Yet this is a considerable work, covering the first 18 years of the author's life and eventual return to New York.

The tendency has been for Irish writers to describe a romantic, pastoral image of their childhoods. McCourt has painted a very different picture. De Valera would not have been pleased.

Partners and pioneers

Joan Smith reviews a daughter's brave biography of her parents

Ann Oakley's father, Richard Titmuss, was a statistician and social policy analyst whose pioneering work was widely regarded as an essential contribution to the founding of the welfare state. His biography has already been written by the distinguished historian Margaret Gowling, yet Oakley feels she has things to say about both her parents which were not touched on in Gowling's life.

This is courageous on several counts, the most obvious being that people like Titmuss, with their conviction that the state should intervene in areas like poverty and health, have been out of fashion – figures of fun almost – in this country for nearly two decades.

It also requires courage for another, more personal reason. Oakley is an academic, Professor of Sociology and Social Policy at London University, where her research interests have inevitably overlapped with those of her father.

What she brings to the subject is a feminist outlook which he would have found disconcertingly arid, quite possibly irrelevant. And the element of her parents' joint story which she chooses to highlight is precisely the one – Kay Titmuss's gradual abandonment of her own career as a social worker to become her husband's unpaid research assistant, secretary and typist – which would have seemed to him too natural a development on his part.

Kay's sole regret, insofar as she voiced it to her daughter, was her husband's refusal of Harold Wilson's offer of a life peerage. The story she left behind after her death in 1987 – in a brown suitcase full of letters, notebooks and the occasional diary – showed how Kay Miller threw herself into welfare work in Fulham in the 1930s, raising money to feed and educate the thousands of unemployed men and women in the borough.

When she met Richard Titmuss in 1934, Kay was already active in an area he, as a clerk in an insurance company, longed to join. Without a university education, solely responsible for supporting his widowed mother, Richard worked as an insurance inspector from 1926 until his appointment, in 1942, as a historian working on the official history of the war – an astonishing achievement for someone of his background.

His progress, as Oakley's book makes clear, was at the expense of his wife's. A photograph taken in the 1930s demonstrates their relative positions in the early years of their relationship, Kay showing the then Duke of Kent round a centre for the unemployed in West London while Richard stands in the background, trying to get a clear view of what is going on. "She was in the world he wanted to get into," observes Oakley, "and he was still at its margins".

The second world war, which Kay spent mostly in the safety of the Bedfordshire countryside, helping Richard's farming relatives look after evacuees, marked the beginning of a dramatic reversal of their public and private lives.

Kay withdrew into a domestic world of cleaning, cooking, typing manuscripts and holding the baby while her husband's career flourished. After the war Richard was appointed a professor at the London School of Eco-

nomics, wrote highly-regarded books and was awarded the CBE.

Did Kay mind? Oakley's book concentrates on the war years, when their relationship was documented in a series of letters which range across their natural anxieties for each other, food shortages, and Richard's work as a statistician and historian. "Oh my darling why were we born into a world of fools?" Kay asked in a letter in the summer of 1940, signing it "the discontented dishwasher", but her discontent seems to be political rather than personal.

The correspondence is on the whole stoical, mundane, occasionally spiteful about other people in the way that couples often fall into.

What's strange about the letters, as Oakley admits in a devastating final chapter,

MAN & WIFE:
RICHARD AND
KAY TITMUSS

by Ann Oakley

Harper Collins £16.99, 338 pages

is the story it doesn't even begin to reveal. "The letters in this book tell a love story," she writes. "Kay and Richard undoubtedly loved each other. But the downside of love – the fear of dependency (on both sides), the flashes of hate – isn't there. It's unreal."

This may be in part because Kay censored the documents she left behind, destroying letters and diaries the contents of which Oakley can only guess at. Her guesses, though, are based on childhood observations of her parents' marriage which hint at another kind of story.

Her father's warmest relationships, she recalls, were with other men. This is not an observation about his sexuality but about his priorities and sources of inspiration: "By comparison, the relationship with my mother was flat, like a spent chord."

Oakley remembers her mother as "cross a lot of the time": no longer attempting to share the intellectual and political interests which still fascinated her husband. Because they regarded marriage as a joint project, Oakley's parents seem to have believed that their interests merged, when the interpretation she suggests in this book is that hers were subsumed into his.

The marriage of Kay and Richard Titmuss was probably little different from that of other couples of their age and background.

What makes their history ironic is Richard's position as a social reformer who never grasped the concealed role of gender in the family relationships which fascinated him – including his own. "What is joint", Oakley observes near the end of her book, "is not equal. Where roles and labours are divided, there are, almost inevitably, inequalities of power".

She writes as a sociologist but also as a daughter whose primary material, however painful, comes from her own family background.

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Fragment of a wall painting from an unidentified tomb in Thebes c.1391-1353BC, one of many illustrations in 34 volumes of 'The Dictionary of Art'

Puts you in the picture

This exhaustive reference series is a work of art in itself, writes Susan Moore

no illustrations, confines itself to biographies of individuals, and is exclusively concerned with western art.

All of those negatives define many of the best features of the Macmillan. The history of art is not exclusively the history of artists; it never was, and it certainly is not nowadays with the various inter-disciplinary approaches and methodologies of the New Art History.

Apart from the biographical entries – on artists, theorists, critics, patrons and collectors – there are entries on peoples (90 relate to the continent of Africa alone), sites, countries, cities, buildings, styles and movements, forms, themes, subjects, materials, techniques and conversation. Some entries are fairly detailed, others paint with a broad brush. The only possible option for any reviewer is to spot-check a sample of them.

First the thematic, one of the most difficult types of entry for the contributor and

potentially the least satisfactory for the reader. As it turned out, Lorne Campbell's Portraiture deserves some sort of Oscar for being informative, thoughtful, witty and elegant. It also destroyed my most cherished preconception that such wide-ranging entries would only be of interest to sixth-formers cribbing for essays or people playing Trivial Pursuit. No doubt Campbell's entry is exceptional, but perhaps a kind of professional *samizdat* will lead us to the best entries.

I looked up the bronzes of Riace, which have a fair claim to being the most beautiful statues ever made although we do not know whose work they are. The entry seemed excellent, or would be but for the worrying discovery that a gremlin has dated their recovery off the coast of Calabria to 1956 when it should be 1972. Furthermore, the entry is helpfully cross-referenced to lead one to Artemision Bronzes.

dipped into the section on Cambodia, which reminded me that this is a work of reference, and as with Fino sherry, dryness is more than acceptable. To see what the dictionary said of art scholarship, I looked up Blunt, Anthony. This proved singularly terse. It also omitted Alan Bennett's *A Question of Attribution* from the bibliography. Knowing where to draw the line must have required judgment of which Solomon would have been

proud. The patron Tommaso Portinari, for instance, who commissioned Hugo van der Goes's masterpiece and a Memling or two, has an entry all to himself, as does Jan van Eyck's Chancellor Rolin, who was also a patron of Rogier van der Weyden. Maybe because he committed the foolish error of only getting pictures from Jan van Eyck, Sgr Arnolfini – he of *Wedding* fame – is omitted.

It may have been entirely chance, but the biggest problems seem to arise with the biographies. One of the supreme merits of the *New Grove* was the fact that the major entries were genuine introductions to their respective subjects, and could be repeated as independent monographs. They also contain listings of works. No such approach could be attempted for artists, because there are far too many of them and they produced too many works. The Macmillan is obliged to be

more selective than Thieme-Becker. That means a substantial number of artists do not make the grade. Artists of the stature of Gustav Klimt, say, that do, receive only five columns of text mentioning a mere 15 or so works. It may seem perverse to say so, on confronting 26 million words, but if anything one could have done with a bit more of it.

So, did Supermac inspire a Superpic? The answer however much one qualifies it has to be a resounding yes.

It is tempting to argue that the Macmillan itself deserved a place in its own pages, as a last hurrah before the triumph of the terminals, and for fondly imagining that there is any point in establishing who did what in the age of the New Art History.

Yet, for the moment, it has

sufficient appeal as a repository of information and illustration to have won me over.

As Harold Macmillan might have said, "You've never had it so good."

THE DICTIONARY OF ART

ed. Jane Shafra Turner

Macmillan, £4,900, 34 volumes

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whether a people still wish to pull together or go their separate ways. He cites, in the case of "a slice of Eastern Nigeria" that went, and remains, with Cameroon at independence albeit with some unease.

In contrast, Africa is dotted with graves of collapsed

unions imposed from the

top: the United Arab Republic of Libya and Egypt, the Ghana-Guinea-Mali Union, and that of Senegal and Gambia. That these past efforts have been misguided is summed up in the question he posed to the Nigerian people, which applies equally to every nation – "Are we trying to keep Nigeria a nation? Or are we trying to make it one? The difference is crucial?"

Whether the ensuing proliferation of new nation-states would yield the desired outcome or not remains to be seen. Nevertheless, in *The Open Sore of a Continent*, Soyinka has once again established himself as a leading voice against all forms of repression not only in his native Nigeria, but in Africa as a whole. Read against the Nigerian crisis and the carnage in Somalia, Liberia,

Rwanda, and the Sudan this book opens a line of debate that Africa and the rest of the world cannot afford to ignore any longer.

This is required reading for anyone who wishes to examine critically the present turmoil in Africa and to understand how the Mafia-like operational ruthlessness of the tin-pot dictators remains a force that could snuff out whatever life is left

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BOOKS

Searching for the root of all kindness

Max Wilkinson on a stimulating quest for the origin of virtue

If Thatcherism is burned into our selfish genes, how do we account for Victorian values, or morality of any kind? Lady Thatcher famously said that there is no such thing as society, which was obvious nonsense. It was also disturbingly profound. Why are we so good to each other, and so unkind? The question, which has puzzled philosophers since Plato, has recently become open to a new kind of answer - biological determinism.

Matt Ridley has produced a splendidly intelligent and readable account of the present state of thinking on the subject, with many insights of his own. The question, simply put, is how did natural selection bring forth so much unselfishness?

The example of bees and ants, so marvellous to the ancients, are now easy to explain. Since the 1960s, it has been understood that the Darwinian struggle for survival is not essentially between organisms, but between their genes. So, when a bee sacrifices herself for the hive, she is helping her own genes to survive, because all her fellow workers are half-sisters. Similarly, humans and many other animals will make sacrifices for the family. But humans, apes, wolves and vampire bats, to name but a few, will also play the Good Samaritan without the pull of a blood relationship. Why?

Ridley enjoys debunking a traditional explanation, which is even now quite popular among the ignorant that natural selection makes us virtuous to help the survival of society. However, this cannot be true because any group which became dominated by truly selfless individuals would be perpetually vulnerable to free loaders or violent incursion. One does not have to think only of wolves or vampire bats. Bosnia, Rwanda or Robert Maxwell will do.

If you are sceptical of this argument, read Ridley's book. He explains it with many fascinating examples

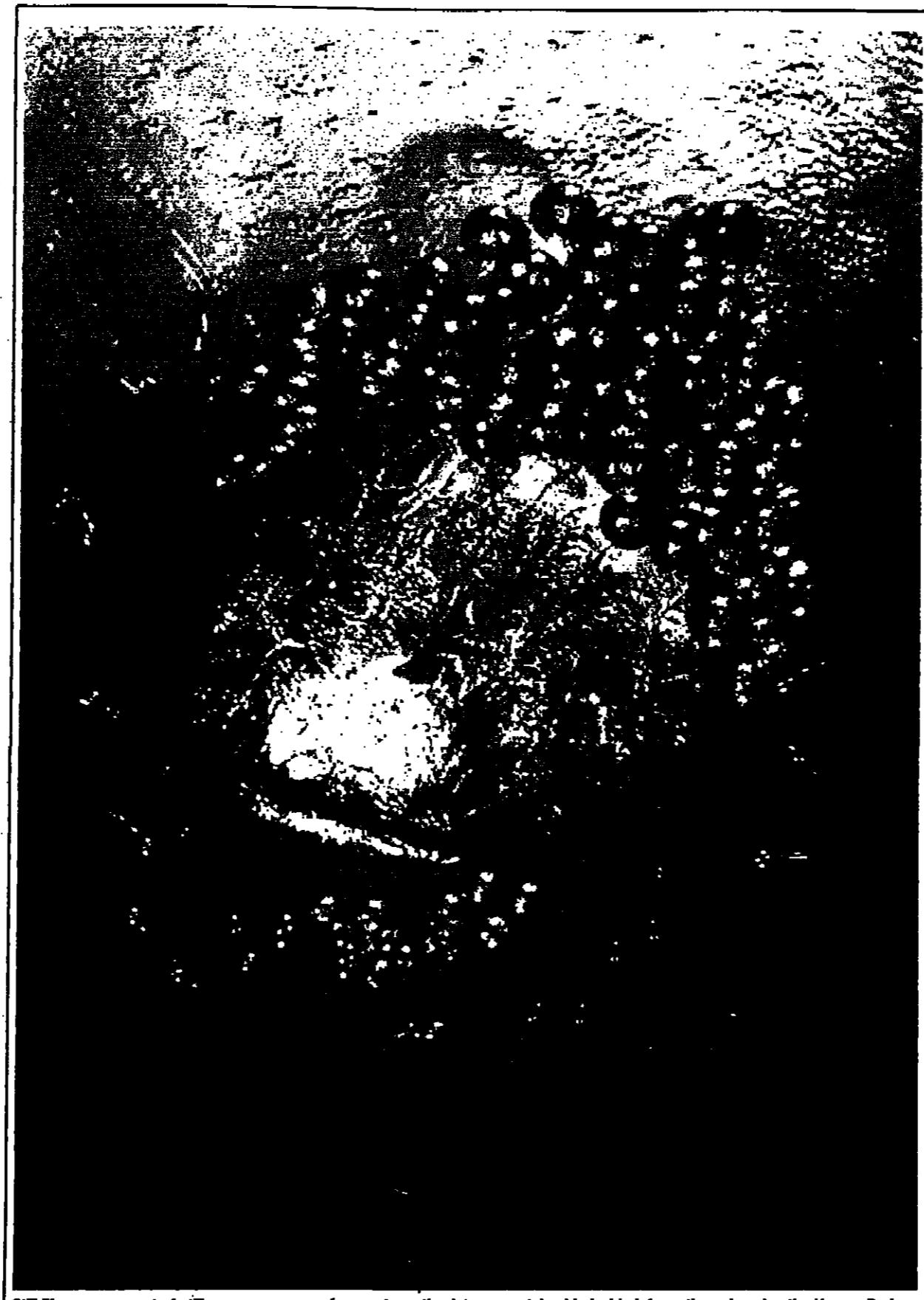
THE ORIGINS OF VIRTUE
by Matt Ridley

Viking, £20, 295 pages

son will be given \$1,000. But if anyone rings the bell, he will receive \$100 while the rest will get nothing. Although the incentive to co-operate is high, experiments show that people do consistently betray the common good for a lesser personal advantage. No-one trusts the other players.

Yet in real life we frequently trust others. Ridley explains that when the game is played repeatedly, and especially if the players are allowed to talk to each other, co-operation is quickly established. Darwinian selection should favour such co-operation: people like Nelson Mandela have a better survival strategy than little Hitlers. That is because, after initial successes, the Hitler types tend to destroy each other, while co-operators gain from trading favours. Computer simulations have shown convincingly that this is not sentimental make-believe. Co-operative strategies do win the day, provided that they also have the property of standing up to aggression.

As Ridley points out, arguments from computers are not fanciful because, despite



Sperm race to fertilise an ovum, one of many dramatic pictures contained in Inside Information - Imaging the Human Body which uses state-of-the-art techniques to explore the body's inner landscape. By William A. Ewing (Thames and Hudson, £12.95)

all our complexity the genes which made us are as mindless as programmers' logic.

Human societies are more than the sum of their gene pools, of course. However, Ridley shows with many examples how the origins of virtue can be traced to individuals' need to form alliances to compete for food and sex. Male dolphins and apes, for example form close bonds and complex alliances, but their purpose is often

what we would call abduction and rape.

We humans are superior, because we have been able to form much more complex relationships for the common good. Ridley is especially interesting about the relationship between biological imperatives and the development of economic co-operation through trade and the division of labour.

The probability that kindness, trust and generosity

have such roots does not, however, make these virtues the less virtuous. It may make it a little more Thatcherite, however.

Ridley believes that altruism thrives best in its natural habitat - smallish communities in which honour and reputation are rewarded and mutual help brings obvious rewards. For this reason, socialist systems and welfare states are doomed to disappointment. "Heavy government makes people more selfish, not less".

Ridley is not the first to reach this conclusion, nor the first to describe the research on which it is based. Yet his book is full of surprises. He manages to combine a scholarly approach with great dash and wit, which puts him well ahead of the field: stimulating and great fun.

Complexities of the human condition

Israh Berlin's life has been dedicated to the exploration of eighteenth and nineteenth century thought. The task has always had, in addition to its rich intellectual interest, an austere practical undertone: the attempt to understand what people do and experience and why and how. These are the proper questions for history to ask, Berlin says; and answers to them reveal an immensely important truth: that human phenomena exhibit such variety and complexity that they cannot be reduced to neat patterns or regular systems of historical laws.

Much follows from this view. Berlin's subtle and sensitive probings of the thought of Helvétius, Condorcet, Vico, Herder, Kant, Marx, Comte, and many others - all of whom attempted in different ways to under-

stand human phenomena and to find ways of dealing with them - proceed against a backdrop of scepticism about the likely outcome of trying to squeeze experience into patterns of theory.

Accordingly, he applauds the desire of Enlightenment thinkers to stamp out ignorance, prejudice and superstition. But he warns against the methods they advocated, which in our own century took all the forms of psychological manipulation from brainwashing to bullying.

In these essays, almost all of them previously unpublished and ranging in time of composition back to the 1950s, Berlin's characteristic concerns are well represented. In both the title essay and its companion, 'Political Judgement', he iterates his conviction that there is and can be no tidy

science of human phenomena. The misguided effort to invent such a science leads to misconceptions not just in theory but in practice, resulting in wars and ideological campaigns prompted by dogma.

In particular, there can be no science of statecraft; political judgment is a matter of skill, of insight - almost, indeed, of instinct - deployed in the particular circumstances of a particular moment, as demonstrated by the example of the greatest statesmen.

To understand this view fully one must, says Berlin, understand the significance of the romantic revolution in the late eighteenth century. His successors drew their own line of thought from this: that values are commands which we impose on ourselves, they do not come from an external source. Through Fichte and the German romantics a new conception of human freedom and individuality in

forming conceptions both of man and the world. One has to be careful not to jump to conclusions about what Berlin opposes and endorses. It is a characteristic Berlinian theme that there are no clear-cut answers to the important human questions. We have to think things through case by case, taking them on the merits of their complex particularity, negotiating even our acceptance of the sometimes intractable conflicts of interest and value they frequently prompt. At the same time he is on the side of tolerance, autonomy, and the conception of the free man as one who is his own legislator. In particular, he champions the importance of philosophy.

Philosophy upsets assumptions and preconceptions, says Berlin, and therefore its effect is necessarily in the direction of wider freedom, of upsetting existing values and habits, of destroying boundaries, transforming familiar contours, which is at once exhilarating and disturbing. There can be no orthodoxy in philosophy. It is, at its best, by nature revolutionary, therefore no society can rest secure on its foundations "while philosophers are allowed to roam at large". All dictators, accordingly, persecute them.

If it were possible to add to a reputation already so considerable, these essays would do it. All the productions of Berlin's long and distinguished career are characterised by urbanity, insight, profound scholarship and writerly elegance. These traits are satisfyingly and instructively here presented.

A. C. Grayling

Two essays, one on the

Romantic revolution itself

and the other on Kant, Berlin cites the latter as a key figure in this change.

Kant was in many respects

an Enlightenment thinker

THE SENSE OF REALITY
by Isaiah Berlin

Chatto & Windus, £20,
278 pages

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ARTS

We're like circus people," says dealer Helen Linfield of life on the antique fairs circuit. This week she is in Basle, where the second European Fine Art Foundation fair (Teef) hopes to build on last year's promising start, bringing together 125 dealers from a dozen countries.

Like Teef Maastricht, which celebrates its tenth anniversary in March, Basle's fair is strategically situated to draw an international crowd. Signs outside the airport point to France and Germany.

Attendance last weekend was up between 10 and 20 per cent, but there is some catching up to do: last year Basle had 12,500 visitors compared to Maastricht's 50,000. This year's private view seemed dominated by the Swiss. Americans in particular were conspicuous by their absence — the fair may have to become better established before they will take the journey.

If Basle is to succeed it will

Dealers have fun at the Basle fair

Susanna Rustin on who is exhibiting what at the second European Fine Art Foundation fair

have to cultivate those areas in which it can excel. On the top floor of the Messe Basle exhibition hall more than 30 dealers offer a wide selection of Classical Antiquities, Ethnographic and Pre-Colonial Art, and Oriental and Islamic Art.

Rossi and Rossi of Jermyn Street was so successful here last year that it has given up Maastricht. At one end of its stand is the "Reliquary Stupa", which for \$70,000 (243,000), comes with a selection of necklaces, tiny gold flowers and trinket boxes. At the private view Rossi sold a Tibetan painting for more than \$100,000, and a bust for \$10,000 to a collector who usually concentrates on Egyptian and Graeco-Roman antiquities but was moved by the figure's spirituality. Priestly and

Ferraro (London) has also come back, but is missing last year's Italian visitors.

The Zen Gallery (Brussels) is a first-time visitor. Nestled in its display cases is a pair of rabbit-shaped gilt bronze paperweights from the Han period, priced SFr38,000 (£19,000). Oliver Hoare (London) is at his first fair. His homely, English-looking stand has attracted a lot of interest, although the \$85,000 "Dancing Girl", by an unknown artist, one of a series of paintings which decorated a Qajar palace in nineteenth century Iran, was still looking for a buyer at the end of the first weekend.

Private views can be an anxious time for manuscript dealers, with browsers balancing a champagne glass in one hand and

turning pages with the other. Sam Fogg (London) is another Basle newcomer, who seemed pleased to observe that this is

while SFr20,000 will buy a magical first edition of Alain-Fournier's 1913 novel *Le Grand Meaulnes*, bound in red leather and studded with gold stars.

Teef Basle chairman Konrad O. Bernheimer (Munich/London) presides at the first stand on the middle floor. He sold Francesco Albani's "Tanzende Amorette" for SFr70,000 on the first day, but knows that Basle cannot compete with Maastricht for paintings. "Arche Noah", by Frederick Bontat des Alters, was unsold at the end of the first weekend, as was "Der Garten von Eden", by Roland Savery (1576-1639), offered by Verner Arnell, who is the only one of five London dealers who exhibited together at Basle last year to come back.

Salis and Vertes (Salzburg) has sold a Renoir, "Roses", to a private collector for SFr400,000. More "Roses", by Scottish colourist Francis Campbell Boulton Cadell (1883-1937), are offered by MacConal-Mason (London) for upwards of SFr10,000. Their modern edges stand out against an array of Victorian children and pets. Twentieth century art has traditionally been a weak spot at Teef fairs, but this year Gallery Delisie (Amsterdam) is selling well.

In contrast to the open plan middle floor, downstairs curtains and canopies create much more intimate spaces. Sweets de Landas' (Surrey) garden ornaments stand is complete with wooden floors, moss, and a working fountain, while the elegant French furniture stand of Bernard Bar-

uch Steinitz (Paris) incorporates doorways and a staircase.

Kunsthandlung Julius Böhler's (Munich) gorgeous bright yellow looks splendid against the red carpet, and drew me to its Augsburg Writing Cabinet, c.1650, the many drawers veneered with various woods. Next door Wakelin and Linfield (Billinghurst) offers a pleasing selection of English furniture. It sold a carved wooden deer's head to Swiss hunters on the first day. At the front of its stand is a wonderful ash Child's Windsor Chair, dated 1775, which at £3,600 some museum of childhood somewhere ought to be able to afford.

In a far corner of the top floor Metlik and Roest (Vught) is the sole exhibitor in the Clocks and Watches section. Its clocks are not Swiss but German, French, and English.

Occupying pride of place is a south German "Monstranz" clock, c.1680, complete with signs of the zodiac, its price in the region of SFr1m.

careless scatter of kindling, paper and pine cones over the carpet, though intended as *gemüthlich*, reminds you that all victory is also a rape, and the catalogue then summons Flaubert, writing to a friend at the time: "What weighs on my heart is this invasion by the doctors of letters, shattering mirrors with their pistol shots and stealing clocks: there's something new in history!" If you want to know how it felt the other way round watch Caspar David Friedrich landscape a riverside idyll in Saxony tensing under threat from the invading French.

The state divas and Queens of kitsch after 1800 were Marianne und Germania themselves and the exhibition tells you rather more about these national icons, perhaps, than you ever wanted to know. Red-capped Marianne was — and is — the image of Revolution, the Republic, Liberty, or

This is the kind of show the Germans have been doing with wit and style for a decade and a half



An 1818 edition *La Balonnette* depicting the souring of the relationship between France and Germany

Albert presenting a cultural-historical art show on patriotism and the nature of the United Kingdom, based on Linda Colley's *Britons*, but when our unsure grasp of the present is so disastrously informed by our selective ignorance of the past, it is time they did.

Colley's pioneering book went some way towards ending Britain's hang-ups about what it sees as the mutually exclusive messages of kitsch and art. The Germans, like the French, got rid of their years ago, so Marianne and Germania's is full of bad, bland, melodramatic and often wickedly vast paintings — some of the most Teutonic from Russia and Poland which are all there to make a point. The show would be worth seeing for more French and German caricatures alone.

Two artists who were neither bad nor geniuses memorialised Bismarck's siege of Paris more powerfully than the great Impressionists, most of whom had left town. While Monet painted Westminster and Pissarro got married in Croydon, Gustav Doré's ghost

armies marched out of the Rhine and his Marianne gripped the arm of the Sphinx for help as black smoke rose from the city below. But the propagandist image of the Franco-Prussian War is Anton von Werner's 1894 painting of German officers in the rococo music room of a chateau outside Paris, singing and playing Schumann, smoking their pipes, thinking of home. What civilised invaders!

Werner, airbrushing back from more than two decades later, makes one fatal mistake; the most fiendishly complex things.

simply France. She has always been a real woman, or series of women, sculpted by Rodin and Rude, drawn by Daumier, painted by Delacroix and Steinlen, and embodied by plaster-casts of Brigitte Bardot and Catherine Deneuve. They are all here. Noble blonde image of warrior-motherhood fighting for her babes, Germania never met a real artist and so proved less durable. Unlike Marianne, she almost always kept her blouse buttoned and never did stamps. Both girls watched on the Rhine with swords drawn, and were much inspired by Joan of Arc (cue Schiller). Whenever revolution came around again, they paraded for a few months before once more going their separate ways.

Marianne und Germania goes to Paris next autumn, where it will be given a new subtitle by the French: 'Elective Affinities', in homage to the masterpiece by Goethe which suggests, among many insoluble mysteries, that love and friendship are, at worst, fatal attractions, and, at best, the most fiendishly complex things.

Michael Ratcliffe on the centuries-old flirtation between France and Germany which inspires a new exhibition in Berlin

The French have been making themselves irresistible to the Germans for nearly 300 years. In Berlin and Potsdam alone there were Bellevue, Monbijou and Sanssouci palaces long before the Romantic poets and composers of Germany cast an even more powerful spell in the other direction.

French is, of course, the official language under any French roof, so shoppers and sightseers inside the spectacular new Galeries Lafayette in the old East Berlin are wished *une agréable soirée* over the public address system before being tipped out onto a deserted Friedrichstrasse at half past six. The message is then repeated in French-accented German and everybody finds it *ganz charmant*. Or do they? The shoppers aren't spending much. The French store, which will probably prove too small in a couple of years' time, is on a street still blocked by builders at both ends, and retail-tourists can gawp inside for free at Jean Nouvel's grand project with its voluptuous glass wall, three-storey dome, icy, eau-de-nil lighting fins and inviolate merchandise.

To pick up a gold metal basket in the foot hall at Galeries Lafayette straight after three hours in the exhibition 'Marianne und Germania 1789-1889' at the Martin-Gropius Bau is to see that the mischievous flirtation between Europe's quintessential neighbours goes on. It is a flirtation from which Britons (like Russians, Italians and Spaniards) are, by definition, excluded. 'Marianne und Germania', subtitled 'France and Germany: Two Worlds, One Show', is what the French call *l'histoire des mensonges* — the submerged history of everyday attitudes, myths and states of mind running alongside the recorded history of govern-

ments and Great Men — cast in the form of a large exhibition.

It is rather like walking through a book of 17 rooms, four corridors and a central court, and when the walk is over, there is a superb illustrated catalogue which expands the subject three-fold and boots it off in all sorts of literary, aesthetic and emotional ways. The shifting perceptions of France in Germany, of Germany in France, and of each by themselves, across the century that separates the French Revolution from the raising of the Eiffel.

Bismarck's invasion in 1870 marked the end of what might be termed a tragic love affair

Tower, are visualised more by the plain things that show them shifting, or made them shift, by the great art of the time — Holderlin's French travel pass; a victorious army's bulletting slips, a private letter, a public declaration; Hugo's steamboat ticket for a momentous journey down the Rhine. How well this magic of objects works depends on the resonances you attach to the things themselves and to the men and women who touched them at the time. I can pass up Madame de Staél's Paisley cashmere shawl because it doesn't look as though she wore it much, although the influential author of *De L'Allemagne* must have gathered similar ones round her shoulders on the dank autumn evenings when

A critic always in his element

Alastair Macaulay pays tribute to Jack Tinker, who died on Monday

Jack Tinker was himself so much the epitome of theatricality that it is hard to conceive London theatre without him. Theatre critic of the Daily Mail, he died suddenly and unexpectedly on Monday, at the age of 83.

Slight of build and urbane of manner, he was the Johnny Town-Mouse of critics: dapper, witty, companionable, charming.

A shrewd observer and a lively writer, he was also often seen on television and heard on radio. And he was a performer himself, known for his tap dancing and for his one-man talk show. But he was perhaps most himself when mixing with theatre folk offstage. He seemed to trim over with laughter, with good sense and tender humanity also. Many actors

were his good friends. We critics who often saw him several nights a week knew him as a bright companion.

His presence added considerably to the glamour and buzz of a first night. To note what he was wearing was always a pleasure: few people know so well how to combine elegance, flair, humour and individuality. But it was a greater pleasure to hear him talk — whether to overhear his chat on the aisles or to converse with him oneself.

He was also a superb raconteur. At the most expensive hotel in Stratford-upon-Avon, he said Maggie Smith once complained to him that she could not see why he so enjoyed staying there — she had been given a quite undistinguished room there. Jack at once went on her behalf to the hotel management, who explained to him that alas, Smith had not reserved her room under her stage name but under her married name, as Mrs Cross. "Well," Jack told them, "She's Mrs Very Cross now."

He told me this story at Stratford two years later, on her son Toby Stephens's first night as Coriolanus and he went on to say how, when he

had arrived at that same hotel that very day, he had found that although he had booked his usual room three months earlier, it had already been taken. "By whom?" Jack had asked with irritation. "By Dame Maggie Smith," the management informed him. This time, she had so praised to her two years before, under the name of "Dame Maggie Smith, Dame of the British Empire." The hoist-on-his-own-petard amusement with which Jack related this tale was exquisite.



Shrewd and witty raconteur: Jack Tinker

ART GALLERIES

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Beautifully woven threads of imagination and realism

Sarah Hemming reviews 'The Weavers' by Gerhart Hauptmann

The Weavers is the sort of production that has earned the Gate theatre its name, a highly imaginative staging of a European classic. The team (director, designer, translator) which mounted the promenade production of *Hunting Scenes from Lower Bavaria* thrusting you into the dark world of that play, now tackles Gerhart Hauptmann's gem and again gives it such a vivid staging that you see the play afresh.

Hauptmann's great example of German social realism portrays the plight and revolt of a group of Silesian weavers in the mid-19th century. Hauptmann basically acted them as a campaigning journalist might now. He visited the weavers, recorded their dreadful living and working conditions and made public what he saw. Only rather than write an award-winning documentary, Hauptmann crafted a play that revealed in startling detail the poverty of the weavers, but also saw in their desperate uprising and its consequences a more universal tragedy.

To be fair, Hauptmann does mention the commercial pressures that the factory owners were under. But

his main achievement is the detailed way he brings to life a vast group of downtrodden people, making every individual despair as yet another piece of cloth is rejected or undervalued.

The danger with staging this sort of naturalistic work is that you admire the detail but see nothing surprising. Dominic Cooke's production, however, cleverly avoids just plonking it on stage, and while it keeps the naturalistic detail, it adds a brilliant twist.

In keeping with Gate tradition, Robert Innes Hopkins' inspired design transforms the whole auditorium.

He squeezes the audience high

up around the walls, looking down into a rectangular pit with steep grey sides. This pit serves as the stage, so you peer down on the weavers as they scurry about like ants.

It's a clever design that creates a relationship between audience and actors without damaging audibility.

It is, of course, symbolic of the weavers' plight.

Within this space, Cooke marshals the large cast well and keeps the focus of the play moving about. Anthony Viviz's loosely colloquial translation manages to seem rough and rural without pin-

pathy for the weavers, he also introduces another note in the final scene as one devout old weaver argues vehemently against violent protest. You don't feel the full force of this conflict of ideas in Cooke's production and so the old weaver's shocking death brings the play to a full stop, rather than a tragic climax. That aside, this is yet another impressive piece of work from this venue.

Continues at the Gate, London W11 to November 23 (0171-229 0706).

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ARTS

New weapon in a heritage crusade

Antony Thorncroft finds much support for the Heritage Bill

Lord Rothschild was in a bullish mood when launching the annual report of the Heritage Lottery Fund (and its little sister the National Heritage Memorial Fund) this week. And so he should be. As a very hands-on chairman it is a pleasant task distributing millions of pounds each year to shore up the heritage.

After its initial crass blunder over safeguarding the Churchill archive, which made the Churchill family £11m richer but left the public cold, the fund has played a reassuringly straight bat. So straight that the government has found time in this final frenzied parliamentary year to push through a Heritage Bill which, according to Lord Rothschild, "lets us do anything under the sun".

The initial concern that one of the main provisions of the bill, a licence for the fund to give grants to private individuals, would be a bonanza for "toffs in houses", enabling them to fix their roofs and extend their parterres, has been quickly squashed by Lord Rothschild.

He sees it as an essential weapon in his latest crusade - the renovation of town centres. Often schemes to clean up and prettify historic urban areas are frustrated by the fact that some properties are privately owned and cannot currently qualify for lottery cash.

The most obvious is the plight of museums, which can contemplate lavish new galleries and the latest information technology, but face devastating cuts in their annual revenue grants. One by one the great institutions are being forced to consider admission charges. Even the British Museum, once the greatest advocate of free public access, now has to choose between sacking staff or charging £5 entry. If encouraging people to visit the great museums is not the centrepiece of a national heritage policy it is hard to think what it could be.

Lord Rothschild wants to help, but his hands are still tied: if lottery money is used for revenue funding the Treasury will just cut the annual grants. He is, however, seeking ways of loosening

the bonds. A heritage stabilisation scheme, which pays off debts on the lines of the Arts Council's wheeze to help its financially parlous clients, is being considered. Other Big Ideas, endowments, are seen as just too expensive - to solve just the British Museum's problems with a £10m annual endowment would consume two-thirds of the funds income for a year.

But the Heritage Bill does enable the fund to support exhibitions. Lord Rothschild envisages financial help for museums coming from touring exhibitions financed by the fund, such as the Arthur Gilbert collection of gold and silver artifacts. The acquisition for £15.5m of this collection was one of the great coups of the year. As well as obtaining the finest collection of ornate trinkets amassed in recent years, the fund persuaded the government to clear a wing of Somerset House for its display. Before it settles there around Millennium time the objects will tour the UK, starting at the V&A's new silver galleries later this month.

When he became chairman of the Lottery Fund Lord Rothschild declared it his ambition not only to stop any major work of art leaving the UK, but also to bring back national treasures lost abroad. He succeeded in his second aim with the controversial retention of the Becket casket, which was saved, but at an extortionate price.

In stopping important objects leaving the UK he has also been successful with national collections keeping in the past year such monumental objects as a major Soutar and the only confirmed Durer painting (the National Gallery); various Guercinos, Van Dycks, etc in Scotland; and the Chiswick tables for Chiswick House. The only major loss was painting by Bartolomeo, "The Holy Family with the Infant St John", which went to the Getty because no British gallery could provide the £3.5m needed in partnership funding.

Such rescues play well to the heritage lobby but not to the public. The buyer of lottery tickets may be better pleased that this week the fund gave more than £25m, its largest award to date, to secure and operate the 87 miles of the Kennet and Avon Canal, and £6.5m to convert the abandoned Waltham Abbey Royal Gunpowder Mills into a visitor attraction in Essex.

Like most lottery projects it takes ages between the grants being announced and the wonderful things materialising. But quite soon Sir Norman Foster's new aircraft museum at Duxford in Cambridgeshire will open, and, if good intentions are anything to go by, the feasibility studies announced this week to convert Trafalgar and Parliament Squares into pedestrian precincts should ensure that, by the Millennium, London at least may look a better place.

For Lord Rothschild he will contemplate his chickens roosting in retirement: he has no intention of extending his involvement at the fund beyond the spring of 1998.

Lord Rothschild: the bill "lets us do anything under the sun"

T was a Russian who had the idea of using a cathode ray tube (first seen in 1897) for "electric vision". A Scot gave the first public demonstration of television in 1926, though with a system that never caught on. Berlin had a regular public television service in 1935, but it used 180 lines ("low definition") and lasted only five months before the transmitter burned out.

So we can truthfully say that it was the BBC, operating from Alexandra Palace on the hill on the northern edge of London, which started the world's first regular high definition (405-line) television broadcasting service.

It began 60 years ago today, on 2 November 1936. Programmes were transmitted for two hours a day, six days a week, and only those living in south-east England could see them. You needed to be fairly well off, too, because the first television sets cost about £100, which, at that time, would buy a new car. On that day, after an official opening by the postmaster general, there was a bulletin of British

Television / Christopher Dunkley

Barmy about the 'electric vision'

Movietone News, and then a variety programme featuring comedians Buck and Bubbles and the Lai Fous Chiene jugglers.

In 1937 the BBC organised its first major outside broadcast for the coronation of King George VI and the audience swelled to an unprecedented 50,000. This first television service lasted nearly three years until the screens went blank on 1 September 1939, two days before war was declared. It stayed dark for seven years.

Tomorrow night, only 24

hours late, the BBC marks the anniversary with a two-hour awards programme in which little bronze statuettes on little plinths are awarded for "Auntie's All Time Greats".

The idea was for "experts"

in and around television to cast their minds back across the corporation's entire output and produce shortlists of the greatest examples in various categories - situation

there was not a formal panel, the dear old public had simply voted for whatever was freshest in the memory. And so, if you believe the evidence of this event, practically all the BBC's greatest programmes have been made in the past few years.

Yet that is not the message which emerges from Jonathan Lewis's *Watching The Box*, the most interesting programme on television viewing since that one about the survey where sitting rooms were scanned by cameras to show what people really get up to while the television is on. *Watching The Box*, to be transmitted on BBC1 on Wednesday evening, has no pretensions to being any sort of scientific survey: it is an unashamed ragbag of anecdotes, confessions, and observational clips...

"If I do record something," says 16-year-old Nicole, pausing in mid-sentence to catch a crucial snitch of Oprah Winfrey. "If I do record something," continuing to gaze at the set, "If I do record," still mesmerised by the screen, "If I do," and we never do hear what happens.

We showered producer Beatrice Ballard with suggestions... but we need not have bothered. *Watching the Box* is pre-recorded at the BBC's west London Television Centre last Sunday, it quickly became apparent that, in almost every instance where



Marjorie Yates (Linda) and Alun Armstrong (Willy) in 'Death of a Salesman' Picture: Douglas H. Jeffery

Soapbox and sentiment

Alastair Macaulay reviews Arthur Miller's 'Death of a Salesman'

As Arthur Miller's 1949 *Death of a Salesman* proceeds along its glacier-like path it grows slower, heavier, more repetitious, more sentimental and more portentous. And the new National Theatre staging is the production it deserves.

It is more soapbox than play; and the rhetorical artificiality of its locution is leaden. Linda Loman says of her husband Willy "Attention, attention" must finally be paid to such a person." That, of course, has long been the play's most notorious line; but I had forgotten how she later says of him "He's only a little boat looking for a harbor." Willy himself speaks the same way: "You can't eat the orange and throw the peel away - a man is not a piece of fruit."

Even the lobotomised could scarcely miss the points Miller is preaching. These include: even a man whose whole life is a sham and a failure deserves some

respect; salesmanship, bluster, the need to impress and to be liked, are immaterial; a life built on bogus salesmanship must self-destruct; parents shape children in bogus ways as well as good ways. ("Know thyself", in short.) But messages are not what drama is about.

Miller, in his concern to debunk dangerous male fantasies, is much more Ibsenist than Ibsen ever was. He gets much else from Ibsen, too. He tries to make the common man the subject of modern drama in the way that Ibsen made middle-class characters the centre of post-Romantic drama; and he tries to weld realism and symbolism and rhetoric all together. But *Death of a Salesman* is obvious as Ibsen never was.

Phoney, too. I have never believed in a single family that Miller has put onstage; the Lomans may be his worst of all. Miller's efforts to wrong pathos from them are innumerable. "Once in

my life I would like to own something outright before it's broken!" Then there is the ten-ton significance accorded to Biff's flunking of math and his discovery of his father's adultery: the way Miller keeps preparing us for this long before it is finally played out in flashback in sheer melodrama. The several scenes in which characters ask Tough Questions and/or announce Hard Truths ("Why must you be liked?" "We never told the truth in this house") are Hollywood psychotherapy.

The director of this, as of *Bronze Glass*, is David Thacker: he gets to stage about one Miller per year. Only in one respect is this production inferior to the play: the American accents, most of which sound just like those all over Radio 4. *Salesman* is really one prolonged mad scene, with Willy shuttling between reality and fantasy or memory. Fran Thompson, designing the stage with revolving floors and no

walls and Willy's mistress on a hanging bed, makes the most of Miller's desire to make the locale look transparent. Rick Fisher has laid on expressionist lighting at footlight level for the more deliberately artificial scenes.

Alun Armstrong maximises the weakness and bluster of Willy: The big scenes between him and Mark Strong's Biff are cypher meeting cypher. Marjorie Yates is Linda, and Louise Jameson is "The Woman". Both are two-dimensional at best. I prefer Miller played with more speed, variety and realism than the writing; and Colin Stinton's Howard and Corey Johnson's Biff are along these lines. But the play, like Willy Loman, is a sham.

In National Theatre repertory at the Lyttelton Theatre, South Bank, London SE1, this year next year touring to Newcastle, Edinburgh, Bath, and Nottingham.

Radio / Martin Hoyle

Moral guardians

The words that linger after a week of bickering righteously from politicians, prone to fantasise a news item into a comic turn which leaves mere mortals not *au courant* about the event in the first place totally baffled. I am not interested in the ponderous pronouncements of stand-up comedians, clapped-out journalists, or middle-aged clowns perpetually reliving their Footlights glory.

He was quoted by Owen Dudley Edwards in the Radio 4 series *The Seven Deadly Virtues*. When reporters descended on him - well, approached, I suspect nobody could descend on Ian Paisley's eminence - with the news of Bernadette Devlin's imminent unmarried motherhood, the Protestant conscience of Ulster dispelled their *Schadenfreude* by barking at the assembled hacks: "Let him who is without sin cast the first stone" - one of the most Christian remarks the good doctor, and indeed most of his adversaries, has ever made.

The same might go for last week's arbiters of ethics, from Colin Stagg's furious solicitor on *Mediumwave* launching into the equally sanctimonious press that had printed hitherto unpublished evidence on the murder of which Stagg was cleared, to those pundits of propriety and indices of integrity in *The News Quiz*. Like his television counterpart in *Haven I Got News for You*, Simon Hoggart has taken upon himself the role of national moral umpire.

Where his persona was once that of the class bully, he is now the form smartypants, prone to fantasise a news item into a comic turn which leaves mere mortals not *au courant* about the event in the first place totally baffled. I am not interested in the ponderous pronouncements of stand-up comedians, clapped-out journalists, or middle-aged clowns perpetually reliving their Footlights glory.

I wonder if the Victorians were such hypocrites after all. They had double standards but recognised them as such, an expedient that enabled them to have their cake of respectability and indulgently eat it too.

Sensational Women bodes well, a series on 19th century writers of "sensational" fiction which opened on Wednesday with Mary Bradon - whose *Lady Audley's Secret* has never been out of print since mid-Victorian times. Sarah Dunant presented with her heavy-breathing earnestness lumberingly sprinkled with BBC cultural demotic: "Bigmey? Big deal you may say". I might, but I do not. As ever, the author's private life proved to be rich in those episodes of unmarred domesticity that are disturbing our leaders over a century later. A good egg.

The end of the millennium seems alarmingly near. As Radio 3's *The Music Machine*'s new series on

acophony reminded us, we have only four years to get used to the music of this century - extraordinary how music has spiralled into an esoteric language, or languages, to a greater extent than the other arts.

Nigel Cassidy also turned *In Business* into a warning about the computer failure threatened for January 1997 when civilisation as we reluctantly know it is plunged into chaos. The irresponsible Luddite in me can scarce forbear to cheer *sotto* voce.

An unusually lucid and civilised *Start the Week* - Bragg in benign form, interesting books plugged, none of the previous week's outraged pomposity about Guy Fawkes - raised something that increasingly troubles listeners. It was pointed out that some of the best academic historians of Britain are to be found in America. This ties up with the prevalence of transatlantic voices giving expert opinion on even, say, English medieval life.

I know from my postbag, as does Radio 4's *Feedback*, that many listeners detect an increasing Americanisation on air, especially on Radio 4. Should we see it as a decline in native education? Incredibly, last week the *Woman's Hour* serial, *The Book at Bedtime* (thanks to Booker) and *The Late Book* were all British.

So it's on in principal

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

■ AMSTERDAM

AUCTION
Sotheby's Amsterdam Tel: 31-20-5502200
• 19th-century European and Indonesian paintings included are works by Wouter Verschuur, Petrus van Schendel, Andreas Scheffhou, Adriaan Evertsen, Bakker Kort, Eugène Verboekhoven, Henry Campato, Henriette Ronner, Cornelis Vreedenburgh, Marius Bauer, Jan Voerman, William Degouve de Nuncques, Juliette Wijtsman, Adrien le Mayeur de Merpès, and others; 10.30am, 2pm & 7.30pm; Nov 5

■ ANTWERP

THEATRE
Bourla Schouwburg Tel: 32-23-19750
• Glengarry Glen Ross: by Marlowe. Directed by Leo Madder, performed by the Koninklijke Nederlandse Schouwburg (in Dutch). The cast includes Chris Cauwenberghs, Hubert Damen, Geert de Smit and Herman Fabri; 8pm; Nov 9

■ BARCELONA

CONCERT
Palau de la Música Catalana Tel: 34-3-2681000
• The Nash Ensemble: perform works by Ravel, De Falla, Gerhard and Granados; 8pm; Nov 6

■ BERLIN

CONCERT
Deutsche Oper Berlin Tel: 49-30-3438401
• Opera Götter und Aids: featuring the Orchester der Deutschen Oper Berlin with conductor Marcello Viotti and soloists Lucia Aliberti, Montserrat Caballé, Peter Seiffert and Bernd Weikl. The programme includes works by Bellini, Puccini, Verdi, Giordano, Rossini, and others; 8pm; Nov 8

■ BRUSSELS

EXHIBITION
Palais des Beaux-Arts Tel: 32-2-5078466
• Karl Blossfeldt: exhibition of works by the German photographer Karl Blossfeldt (1865-1932), who is especially known for his detailed black-and-white photographs of flowers and plants. The display features approximately 200 original photographs; to Jan 5

■ CHICAGO

THEATRE
Steppenwolf Studio Theatre Tel: 1-312-3351888
• The Viewing Room: by Rubin. Directed by Anna D. Shapiro, performed by the Steppenwolf Studio Theatre. The cast includes Paul Adelestein, Heidi Moyer and Darryl Alan Reed; Wed - Fri 7.30pm, Sat 4.30pm & 8.30pm, Sun 2.30pm; to Nov 24 (Not Mon)

■ CLEVELAND

EXHIBITION
Cleveland Museum of Art Tel: 1-216-421-7340
• Photographs by Cindy Sherman: since 1975, Cindy Sherman has created "portraits" of herself dressed as invented characters, using varied poses, costumes, make-up, settings, and facial expressions to explore female identity. More recently, she has used prostheses to create her emotionally charged, sometimes disturbing compositions. The more than thirty photographs in this exhibition provide a concise survey of the career of this contemporary artist; to Nov 3

■ COLOGNE

CONCERT
Sinfoniephilharmonie Tel: 9-221-2040820
• Kölner Sinfonie-Orchester: with conductor André Previn and violinist Kyung Wha Chung. Perform works by Brahms and R. Strauss; 8pm; Nov 8, 9

■ DENVER

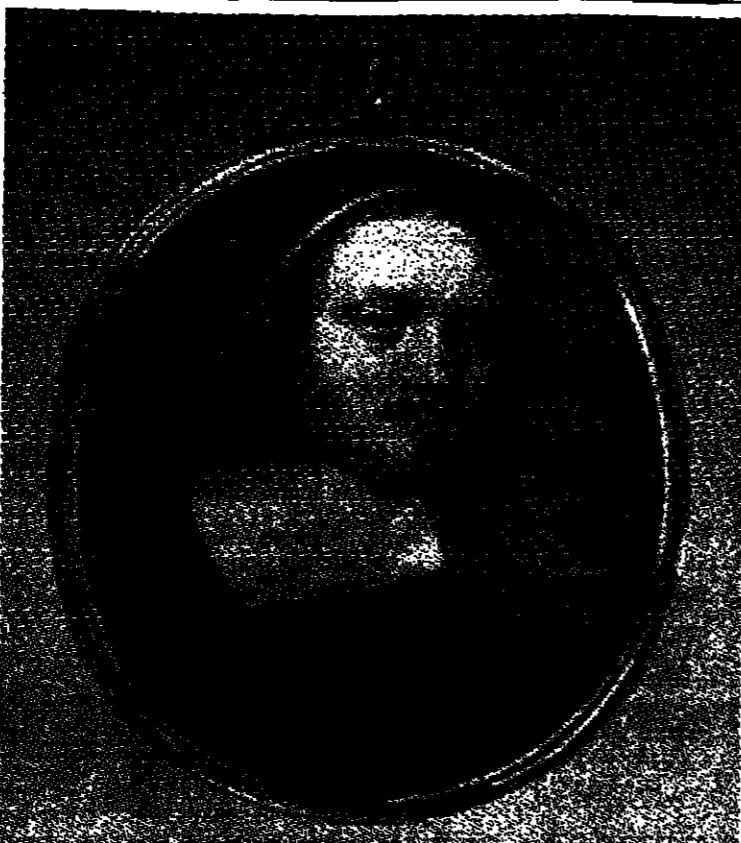
EXHIBITION
Denver Art Museum Tel: 303-640-2793
• Boris Sipek: Aesthetic Architecture and Design: the first S. showing of 50 works in glass, ceramics, metalwork, graphics and furniture by one of the leaders of the Post-Modernist movement, Boris Sipek; to Jan 12

■ DRESDEN

EXHIBITION
Kunsthalle und Dreieck: exhibition focusing on the work created by the Austrian artist Alexander Kokoschka (1886-1980) when living in Dresden. He settled this German town in 1916 and taught at the Dresden Academy between 1919 and 1923. The display includes paintings, watercolours, drawings and prints by Kokoschka, his pupils and followers; to Dec 4

■ DUBLIN

CONCERT
National Concert Hall - Coláiste



European Miniatures in New York

The Metropolitan Museum of Art

European Miniatures in New York

National Symphony Orchestra of Ireland: with conductor Kasper de Roo and pianist Barry Douglas perform Beethoven's Overture to Fidelio, Piano Concerto No.1 and Symphony No.3 (Eroica); 8pm; Nov 8

■ FRANKFURT AM MAIN

CONCERT
Alte Oper Tel: 49-69-1340400
• Vladimir Ashkenazy, Pinhas Zukerman and Lynn Harrell: the pianist, violinist and cellist perform Schubert's Piano Trio in B flat major, D888 and Piano Trio in flat major, D929; 8pm; Nov 6

■ EXHIBITION

Städelisches Kunstinstitut Tel: 49-69-605098-115
• Die Nonkonformisten. Zweite russische Avantgarde 1955-1988: exhibition of the collection of Kenda and Jacob Bar-Gera which includes 280 paintings, objects and drawings by Russian "Non-conformists" - "dissident" or "unofficial" artists freed from the Socialist realism of Soviet art. Artists represented include Oskar Rabin, Vladimir Nemuchin, Lida Masterkova, Michael Grobmann, Ernst Neitswesty, Ilya Kabakov, Erkki Bulatov, and others; to Dec 18

■ GOTHENBURG

CONCERT
Göteborgs Konserthus Tel: 49-7787800
• Göteborgs Symfoniker: with conductor Leif Segerstam perform works by Dvorák, Janácek and Tchaikovsky; 7.30pm; Nov 7, 8 (6pm)

■ HAMBURG

CONCERT
Musikhalle Hamburg Tel: 49-40-346920
• Philharmonisches Staatsorchester: with conductor Gerd Albrecht, oboist Heinz Holliger and cellist David Geringas perform works by Schubert, Von Schweinitz, Holliger and Listz; 11am; Nov 3, 4 (8pm)

■ HELSINKI

EXHIBITION
The Museum of Foreign Art, Sinebrychoff Tel: 358-9-17336360
• Homage to Holy Alexander of Svir, the Great Karelian Saint: exhibition of artwork on the subject of Holy Alexander of Svir, dating from the period between 1400 and 1600. The display includes icons, silk, gold, silver and pearl embroidered textiles as well as objects made of gold, silver and gemstones. The works come from the collection of the Russian Museum of St Petersburg; to Nov 25

■ HONG KONG

EXHIBITION
Hong Kong Museum of Art Tel: 852-2224127
• Contemporary Hong Kong Art Biennial 1996: the Contemporary Hong Kong Art Biennial is a major open art competition presented by the Urban Council every two years with the aim to stimulate general awareness of and interest in art in Hong Kong. This exhibition features 100 works, in particular, works by the Urban Council Fine Arts Winners selected this year from over 1,000 entries for the competition. Included are works of Chinese painting, calligraphy, painting, print, sculpture, ceramics, photographs and mixed media; to Nov 3

■ HUMBLEBAEK

EXHIBITION
Louise M. Hay Museum of Modern Art Tel: 45-42 19 07 19
• Picasso and the Mediterranean: the mythology and visual art of antiquity were a pivotal point of Picasso's art. This exhibition visualizes the link between his work and the classical art of cultures that sprung up and flourished in the Mediterranean region. Comprising approximately 150 works by Picasso, dating from 1906-1960, the exhibition includes paintings, sculptures, graphic works and ceramics. The classical part of the exhibition features

■ JAZZ & BLUES

Royal Festival Hall Tel: 44-171-0604242
• John Harle: programme of works by this saxophonist and composer, featuring singer/songwriter Elvis Costello, classical vocalist Sarah Leonard, jazz saxophonist Andy Sheppard and Harle himself; 7.30pm; Nov 9

■ LOS ANGELES

EXHIBITION
UCLA at the Armand Hammer Museum of Art and Cultural Center Tel: 1-310-4437020
• René Magritte: The Poetry of Silence exhibition featuring approximately 45 paintings, sculptures and gouaches by the surrealist artist René Magritte. Drawn largely from the Menil Collection in Houston, the exhibition provides an overview of Magritte's career from his early cubist works to his mature surrealist statements; to Jan 5

■ OPERA

Dorothy Chandler Pavilion Tel: 1-213-972-8001
• Tosca: by Puccini. Conducted by Andrew Litton, performed by the Los Angeles Opera. Soloists include Carol Vaness, Richard Leech, Justino Diaz and Michael Gellup; 1pm; Nov 9

■ MADRID
EXHIBITION
Fundación Juan March Tel: 34-1-4354240

• Toulouse-Lautrec (from Albi and other collections): exhibition of 55 works by the French painter Henri de Toulouse-Lautrec (1864-1901), 27 of which come from the collection of the Toulouse-Lautrec Museum in Albi, the birthplace of the artist. Included in the exhibition are 40 paintings and 15 lithographs; to Feb 23

■ MUNICH

CONCERT
Gasteig Tel: 49-89-48098506
• Yves Savary, Barbara Burgdorf and Siegfried Mauser: the cellist, violinist and pianist perform works by Beethoven, Schubert and Soletto; 8pm; Nov 5

■ EXHIBITION

Kunsthalle der Hypo-Kulturstiftung Tel: 49-89-224412
• Sudan - Antike Königreiche am Nil: exhibition focusing on the history and culture of Sudan, the southern neighbour of Egypt, in the antiquity. The objects on display span more than 5,000 years of Nubian-Sudanese culture; to Jan 6

■ NEW YORK

CONCERT
Avery Fisher Hall Tel: 212-875-5030

• Wiener Symphoniker: with conductor Rafael Frühbeck de Burgos and pianist Rudolf Buchbinder perform works by Mozart and Beethoven; 3pm; Nov 3

■ INDIANAPOLIS

EXHIBITION
Indianapolis Museum of Art Tel: 317-923-1331

• Egypt in Africa: more than 80 art objects and artifacts are included in this exhibition exploring the African nature of ancient Egypt. Relationships that are explored include the use of headdresses and masks, the manner in which works of art portray humans, the symbolism of animals, ancestor worship and divine kingship, tattooing and mother and child figures; to Nov 24

■ LONDON

CONCERT
Queen Elizabeth Hall Tel: 44-171-9210600

• Peter Jablonki: the pianist performs works by Liszt, Prokofiev, Debussy and Copland; Bernstein; 7.45pm; Nov 6

■ EXHIBITION

Royal Academy of Arts Tel: 44-171-4397458
• From Mantegna to Picasso: this exhibition includes one hundred drawings from the Thaw Collection at the Pierpont Morgan Library, New York which contains outstanding drawings by Rubens, Canaletto, Goya, Matissé and Picasso. Well represented in the collection are Mr Thaw's favourite schools, the 16th and 18th century French, and artists he particularly admires, including Rembrandt, Watteau, Delacroix, Degas and Cézanne; from Nov 9 to Jan 19

Tate Gallery Tel: 44-171-8878000

• The Grand Tour: The Lure of Italy in the 18th Century: for many centuries Italy has enjoyed a reputation as the home of the greatest art and architecture. In the 18th century especially, artists and writers, royalty and nobility travelled there to absorb the atmosphere of antique ruins and to seek inspiration from Renaissance paintings. This exhibition investigates their journey and shows paintings and sculpture, drawings and prints from international collections; to Jan 5

■ JAZZ & BLUES

Alice Tully Hall Tel: 212-875-5050
• Danil Perez & Wynton Marsalis: performance by the pianist and the trumpet player, also featuring saxophonist Mario Rivera, percussionist Milton Cardona and Pernell Saturnino, double-bass player Avishai Cohen and drummer Jeff Ballard and the Chico O'Farrell Big Band. The programme includes works by Morton, Pozzo and Gillespie; 11am & 1pm; Nov 9

■ OPERA

Metropolitan Opera House Tel: 212-362-5000

• L'Elisir d'Amore: by Donizetti. Conducted by Carlo Rizzi, performed by the Metropolitan Opera. Soloists include Bonney, Alagna (Nov 6), Keenlyside and Plishke; 8pm; Nov 6, 9 (1.30pm)

■ PARIS

CONCERT
Théâtre des Champs-Elysées Tel: 33-1 49 52 50 50

• Orchestre Philharmonique de Radio France: with conductor Marek Janowski and double-bass-player Serguei Oleshakoff perform works by Mendelssohn and Shostakovich; 8.30pm; Nov 9

■ EXHIBITION

Galerie Nationale du Grand Palais Tel: 33-1 44 13 17 17

• Picasso et le portrait: exhibition surveying the portrait work of Pablo Picasso (1881-1973). Beginning with early studies from the artist's years in Barcelona, the exhibition moves through Picasso's life via intimate portraits of his family, lovers and friends, including his childhood friend and later secretary Jaime Sabartés, the poet Max Jacob, Picasso's first great love Fernande Olivier, Olga Picasso, the artist's wife in the 1920s, and his last wife, Jacqueline. The display comprises 150 works, including paintings, drawings and prints. The exhibition was previously shown at the Museum of Modern Art in New York; to Jan 20

■ ROMA

Museo Nazionale del Palazzo Venezia Tel: 39-0-6798665
• Domenichino 1581-1641: retrospective exhibition devoted to the work of this Bolognese painter, pupil and assistant of the Carracci, who worked in Rome and became the leading exponent of the Bolognese school there; to Jan 20

■ LOS ANGELES

EXHIBITION
UCLA at the Armand Hammer Museum of Art and Cultural Center Tel: 1-310-4437020

• René Magritte: The Poetry of Silence exhibition featuring approximately 45 paintings, sculptures and gouaches by the surrealist artist René Magritte. Drawn largely from the Menil Collection in Houston, the exhibition provides an overview of Magritte's career from his early

to Jan 14

■ ROTTERDAM

EXHIBITION
Museum Boijmans-van Beuningen Tel: 31-10-4419400

• The Van Dongen nobody knows: Early and Fauvist drawings 1895-1912: exhibition featuring more than 100 early works on paper and paintings by the Dutch artist Kees van Dongen (1877-1968); from Nov 2 to Jan 5

■ SHANGHAI

EXHIBITION
Shanghai Museum Tel: 86-21-63724004

• From Zurbaran to Picasso. Masterpieces from the Collection of Carmen Thyssen-Bornemisza: exhibition featuring around 60 paintings from Baroness Carmen Thyssen-Bornemisza's collection. The main focus of the exhibition is on works from the mid-18th to the early 20th centuries, emphasizing the Baroness's own collecting priorities at the present time. Included are works by Zurbaran, Canaletto, Gauguin, Pissarro, Sisley, Monet, Picasso, Heckel, Kandinsky and others; to Dec 14

■ ST. PETERSBURG

EXHIBITION
The State Hermitage Museum Tel: 7-812-3113601

• Western European Applied Art of the 16th-18th Centuries: this exhibition of works from the museum's collection includes approximately 100 objects of western European applied art of the 16th to the 18th century. The exhibition is organised on the occasion of the 100th anniversary of the Baron Shchukin's Museum, which was a branch of the State Hermitage Museum for many years after the revolution of 1917; to Mar 1977

■ STUTTGART

EXHIBITION
Staatsgalerie Stuttgart Tel: 49-711-2124050

• Das Verlorene Paradies: this exhibition focuses on the work of the German painter Johann Heinrich Füssli and the influence of John Milton's book "Paradise Lost", which was a main source of inspiration for Füssli throughout his entire career. At the centre of the exhibition is Füssli's painting "Satan, von Ithuriel Speer berthürt" (1779); to Jan 19

■ TEL AVIV

CONCERT
Frederic Mann Auditorium Tel: 972-3-5289163

• Israel Philharmonic Orchestra: with conductor Wolfgang Sawallisch perform works by Haydn, R. Strauss and Schubert;



James Morgan

Democracy – and the art of rigging it

Romanians face substantial fraud and a choice of 16 presidential candidates – but they are determined to vote

The victory of democracy in the global ideological battle has meant that there are far too many elections. There are nearly 200 countries in the world and a huge proportion of them vote every three to five years. Some hold presidential and legislative elections, then there are local and regional and even supranational elections, as in Europe. Thus in the past two weeks we have had Japan and Nicaragua, Albania and Bulgaria. This weekend it's Romania and Yugoslavia. On Tuesday somewhere in North America.

This is taking its toll of the news agenda. Have you noticed how world news pages and bulletins are now dominated by body counts and head counts?

It is Romania that highlights the need for specialist election correspondents, for people who understand how there can be more presidential candidates than political parties. There are 16 and they all met on television last Thursday evening. Then we need experts who can distinguish between fraud and ballot-rigging. This demands some explanation.

In the Bucharest press there is

a lot of good-natured speculation on the extent of fraud we shall see in Sunday's poll. *Evenimentul Zilei* alleged that the ruling Party of Social Democracy, and its candidate, Ion Iliescu, were preparing something "even bigger than that of 1946".

That is quite breathtaking: the Romanian Communist Party came to power in the 1946 election in a country which contained about a dozen communists. This is reckoned to be a contender for the greatest electoral swindle of all time.

And here we see how fraud is different from ballot-rigging. The

Communist party did not win elections in the old Soviet Union thanks to fraud. The official results really did reflect the way the votes were cast.

Everybody voted for the one candidate by putting their cross against the name of the party candidate in public, as honest citizens should.

This is quintessential ballot-rigging. There was no need to stuff the boxes with papers filled in by loyal members of the ruling party. There was no need to "lose" boxes from polling stations in opposition districts. The essence of electoral fraud is that

the number of votes polled is distorted.

This lengthy account may seem designed to make a distinction without a difference but it is hugely important. The last election in the old East Germany, six months before the wall came down, was subject to fraud. By 1989 people were bold enough not to vote for official candidates but this was concealed. When Germany was re-united some politicians were charged with electoral fraud by the new authorities. Had they merely forced everybody to vote Communist at gunpoint there would

have been no case against them. In Romania "1946" resonates far more than any of the rigged elections of the next 40 years. Electoral fraud means the true winners can be robbed of the fruits of victory. So today, said the daily *Dimineața*, the opposition is on its guard. The paper offered this careful explanation:

"The fear of the opposition that it might lose the election is more and more obvious and so is its wish to falsify, for its own benefit, the outcome of the vote." It is not often that one sees the facts of electoral life so clearly spelt out.

Both sides are said to be preparing a substantial fraud and are accusing each other of doing just that. The same edition of *Dimineața* ran the headline of the week: "The thieves shout about 'The thieves'."

The tension is such that more and more people are determined to vote: the turn-out is expected to be well over 80 per cent. In other words, about twice as many as will vote next Tuesday in a country that sees itself as an, if not the, exemplary democracy.

■ James Morgan is BBC World Service economics correspondent

Private View

The bleak vision of a consumer society

Nigel Spivey talks to Edward Bond and finds he has stuck to his old ground

We were talking about truth. The paramount virtue of telling the truth; truth's legion enemies in the world. Edward Bond chose this juncture to reverse the flow of interrogation.

"Why," he asked, "did you want to interview me?" His pitch was querulous. I wrung my hands. Bond's tolerance level of flattery was minimal. To have given the reason that he was a great playwright would not have pleased him. Too gushy.

"Well, I guess I thought you would be good copy."

"Good copy? Good copy?" He more than exclaimed this. It came as a sort of strangled scream. Now you have blown it, I thought. This is where he orders you out and tells you to take that spaniel photographer with you. But his florid features relaxed.

"Is that what I add up to now?" he laughed. It is not easy to make him yield laughter. But to a writer with direct experience of censorship in his own country, there may be a galling amusement in being sought out as a talking head.

I hastened to gloss the phrase "good copy" as a compliment, and progressed to my next blunder. His play *In the Company of Men*, which opened last week at the Barbican in London, is set in the world of corporate raiding and boardroom manoeuvres. And it portrays the entrepreneur as a barbaric type.

From reading the script, I

said it seemed a desperately bleak play.

"Rubbish. It isn't. Is Macbeth a bleak play?" replied Bond. Before I could say "yes", he returned to his homily on truth. "The most honest man in Macbeth is a monster. That's redeeming enough. In my play, all that one character demands is that people be honest with him."

"And he dies. On stage, violently," I muttered.

Bond shook his head impatiently, fussy. "I don't write plays to cure," he said. "This notion of catharsis in a tragedy is all wrong. You can't evacuate your mind like your bowels. I simply

describe our condition as I see it, and try to make people understand the nature of their wounds. If you're not interested in wounds, you're not interested in justice. And justice is not administration, or law, or order, or the imposition of violence."

The play was written in the heyday of Thatcherism, and projects in time 40 or 50 years ahead. The main anguish of the elder businessmen involved is whether there is more profit in food-stuff or weapons. I asked Bond how he had researched his characters here.

"I read their autobiographies. Businessmen's autobiographies are a special category of literature for people who wish to die of boredom. They are infinitely boring."

What had he learned from this ordeal, then?

"That businessmen are not satisfied by money. They want power. And our society is full of people with power and prestige who hate us.



Edward Bond, the rejected guest, has returned to British theatre promising that Utopia will be a place with wounds

Brendan Cor

That's very dangerous. We have to learn to read the signs of that hatred."

Would the play make a company director squirm in his seat?

"How can I say? It's not my job to judge people. Some people may be better for having seen the play, some worse. The play asks people to confront themselves. That could be bad news for some."

He denies being a moralist. "Is a fireman a moralist because he goes into a burning house and rescues somebody?" he demanded. He says he only describes. But he slips easily into a prescriptive mode, and angrily so. In his off-stage Barbican, Bond expounded as passionately as he does in the prefaces and appendices to his plays.

"Only fools say that the market is the end of history. What's happened in the last half century is that we've

lost the desire for Utopia. We only want to consume. I don't want to go back to digging with wooden spades."

But I see our condition deteriorating. Utopia was always a communal effort. Consum-

ollywood has surely out-Bonded Bond in the graphic depiction of violence?

"Oh, of course capitalism has made a commodity out of violence. But now what's terrible is that we're more violent, and yet more sentimental too. That's the Enlightenment in danger. I have no idea where the next Auschwitz, the next Hiroshima, will happen. But I know it will happen."

Hankering for more of his embittered laughter, I tried a really absurd question. Had he become remotely religious?

He turned mildly apologetic. "Of course I'm not religious. The idea is an obscenity. An obscenity. Children get shot at Dunblane and the next day someone in a cathedral is telling us that God loved them. That's almost worse than shooting them."

Bond spluttered, his cheeks reddening again. "It's so cor-

rupting, an absolutely disgraceful swindle."

More calmly: "God is a fiction we should have discarded ages ago. We keep the church not for God's sake, but the Devil's. The Devil gives us a way of explaining evil. But I believe that no one acts out of a bad motive, unless you count fear. I believe it's biologically impossible."

So how can there be guilt? "We just make stories to declare our innocence. And some of those stories are fraudulent. All stories are to do with wounds," he went on. "Vulnerability, mortality, limitations. To be alive is a wounding experience. The last word of my first play, *The Pope's Wedding* in 1962, was 'help'. I write because I have to. When people scratch the walls of the gas chambers with their fingernails, that was literally

engender: people chattering and smiling on the Tube afterwards."

He shook his head: "Is that good? Better than being hit on the head? How do you know? Utopia will not be a place without wounds."

■ *In the Company of Men* runs at the RSC until December 10.

Peter Aspden

Homer, homeopathy – and Mengel

An obstreperous 10-year-old causes a school to be closed indefinitely. A highly wrought national debate on the morality of weapons is sparked off by the murder of a head teacher outside his school gates. Parents pore over league tables and consider moving house for the sake of their children's schooling.

Britain's education debate is being conducted in an atmosphere of crisis.

The panic is not confined to schools. A more prosaic discussion is being conducted over the future of higher education. The traditional British model of a tight, regulated three-year degree course is under unprecedented threat. It is deemed irrelevant to the needs of a mobile, transferable-skilled economy.

Envious eyes are being cast on the American system of flexible, more varied educational menus, which open up more opportunities to a wider base of the population. There is the feeling that Britain has some catching up to do.

But at the heart of all these questions lies a more fundamental issue: what is education for? There are two answers to this, which are often blurred. One is that we educate our young so that they can contribute to society – we provide them with skills, talents, aptitudes, like casino chips. Of course, they are, nevertheless, distinct from one another. What is worrying is that both models are now clearly defunct.

First, the provision of skills: the idea that you can prescribe a mix of talents and qualifications to provide a winning formula for the country flies in the face of recent orthodoxy. In an age in which centrally planned economies have

been discredited, in which individual flair and entrepreneurship is championed above all else, in which the ability to be creative and flexible matters most of all, how can one turn around and talk of firm vocations and precise numbers?

Talk to any personnel officer and you will hear that they are looking for bright, dynamic graduates who can adapt, learn on the spot, think for themselves. Talk to any management guru and the buzzwords are change, improvisation, reinvention. Our heroes are those who inspire and innovate, very often in spite of (or is it because of?) a lack of formal training.

The world, we keep hearing, is a bracing, ever-changing place. It requires an unpredictably eclectic mix of abilities. The only core competencies that are really required are clear expression and numeracy. These are, or should be, easily taught. Beyond that,

does it matter if you study Homer or homeopathy?

But the bigger crisis is the second function of education: to make good citizens of us all. Schools and universities have replaced religion and, in some countries, the family, as conveyors of shared values. This is why Shakespeare is taught in British schools despite one's suspicion that it flies far, far above the heads of most schoolchildren.

The ideal educational experience is one which combines the utilitarian and moral functions. They are, nevertheless, distinct from one another. What is worrying is that both models are now clearly defunct.

Schumann for Josef Mengel, the notorious doctor who performed hideous medical experiments on his prisoners.

Mengel, like many Nazi officers, adored the music and art of Germany. He was an educated man. But he could see no connection between its indubitable beauty and the baseness of his actions. He had days at the office followed by evenings of culture, but could not understand how the two related to each other.

In the US, the civilising influence of studying so-called "Dead White European Males" is at the heart of the education debate. The stakes are high. We want to believe that to educate is to civilise. But if that link between knowledge, culture, good breeding and ordinary human decency is shown to be unstable, the resulting crisis of confidence will put those more parochial headlines in the shade.

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WEEKEND INVESTOR

Last week's preliminary results

| Company | Sector | Year | Price | Value | No of | Dividends |
|---------------------|--------|------|--------|-------|-------|-----------|
| Alpha High Income | Int'l | Sept | 74.75 | 721 | 65 | 1.65 |
| Alpha International | Int'l | Sept | 2,100 | 1,070 | 145 | 1.10 |
| Alpha | Int'l | Jan | 414 | 145 | 12 | 1.10 |
| Alpha Special Div | Int'l | Sept | 1,200 | 1,110 | 12 | 1.10 |
| Alpha International | Int'l | Sept | 261 | 243 | 11 | 1.10 |
| Alpha | Int'l | Sept | 2,240 | 970 | 161 | 1.10 |
| Alpha | Int'l | Sept | 67 | 401 | 84 | 1.10 |
| Alpha Special Div | Int'l | Sept | 1,710 | 1,620 | 128 | 1.10 |
| Alpha Special Div | Int'l | Sept | 151.0 | 134.0 | 342 | 2.70 |
| Alpha | Int'l | Sept | 231 | 211 | 11 | 1.10 |
| Alpha Int'l Trust | Int'l | Sept | 476.5 | 422.5 | 48 | 1.10 |
| Alpha | Int'l | Sept | 1,000 | 950 | 11 | 1.10 |
| Alpha | Int'l | Sept | 555 | 510 | 11 | 1.10 |
| Alpha | Int'l | Sept | 1,000 | 950 | 11 | 1.10 |
| Alpha | Int'l | Sept | 722 | 630 | 11 | 1.10 |
| Alpha | Int'l | Sept | 362 | 310 | 11 | 1.10 |
| Alpha | Int'l | Sept | 10,000 | 9,400 | 102 | 1.10 |

Results due next week

| Company | Sector | Announced | Last year | Dividend | EPS | Price | Value | No of | Dividends |
|------------------------------|--------|-----------|-----------|----------|------|-------|-------|-------|-----------|
| FINAL DIVIDENDS | | | | | | | | | |
| Associated British Foods | Food | Thurs | 8.5 | 4.5 | 4.25 | | | | |
| British | Food | Wed | 2.45 | 3.25 | 2.85 | | | | |
| British & Sons | Food | Thurs | 2.0 | 2.0 | 2.0 | | | | |
| Burton | Food | Mon | 1.5 | 1.5 | 1.5 | | | | |
| Cooper Fredericq | Food | Fri | 1.5 | 1.5 | 1.5 | | | | |
| Crusoe Land Estates | Prop | Tuesday | 1.5 | 1.5 | 1.5 | | | | |
| Kent Steel | Int'l | Mon | 1.5 | 1.5 | 1.5 | | | | |
| Lowfield Investment Co | Int'l | Thurs | 1.55 | 1.45 | 1.55 | | | | |
| Mail Computer | Int'l | Tuesday | 1.5 | 1.5 | 1.5 | | | | |
| Mark International | Int'l | Wed | 1.5 | 1.5 | 1.5 | | | | |
| Northumbrian Trust | Int'l | Mon | 1.5 | 1.5 | 1.5 | | | | |
| Northumbrian Trust | Int'l | Mon | 0.75 | 0.75 | 0.75 | | | | |
| Smart | Int'l | Fri | 2.4 | 2.4 | 2.4 | | | | |
| Stratagene | Int'l | Thurs | 2.4 | 2.4 | 2.4 | | | | |
| Wills Coron | Int'l | Wednesday | 1.5 | 1.5 | 1.5 | | | | |
| INTERIM DIVIDENDS | | | | | | | | | |
| Anglian Water | Water | Wed | 8.5 | 21.1 | | | | | |
| Blocks Leisure | Food | Wednesday | 0.25 | 0.25 | | | | | |
| Boots | Food | Thurs | 1.5 | 1.5 | | | | | |
| British Airways | Food | Mon | 1.5 | 1.5 | | | | | |
| British Petroleum | Food | Thurs | 1.5 | 1.5 | | | | | |
| Cigna | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Coats Stanley | Food | Wednesday | 1.5 | 1.5 | | | | | |
| Colgate | Food | Wednesday | 1.5 | 1.5 | | | | | |
| Dairy Crest | Food | Wednesday | 1.5 | 1.5 | | | | | |
| Electrocomponents | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| English National Investment | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Harrods | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Jersey Phoenix Trust | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Lor & Diversified Freighters | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Lunite | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Mercury Asset Management | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Powergen International | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Stamps | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Stamps | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Telewest Communications | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| UNESCO | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Unilever | Food | Wednesday | 1.5 | 1.5 | | | | | |
| Werner Kaeser | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Westbury | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Whitbread | Int'l | Thurs | 1.5 | 1.5 | | | | | |
| Wills Brothers Wine Lodges | Int'l | Thurs | 1.5 | 1.5 | | | | | |

*Dividends are shown net per share and are accrued for any intervening period. Returns are for the year to date and are not necessarily up to date after the last date of reporting to appear in preliminary results. †For quarterly. * For US dollars and cents.

New issues

The 125p-a-share flotation of Scottish Highland Hotels was subscribed more than twice this week, enabling the group easily to achieve its market capitalisation of £30.4m, writes Christopher Price.

Just under £18m is being raised, £8.4m being new money. The company intends to reduce debts and make bolt-on acquisitions. □ The Britt Allcroft Company, which owns rights to Thomas the Tank Engine and Friends, is to float at £50 a share, valuing the company at £30.6m. It plans to raise £4.2m net in new money in a placing of 35 per cent of the enlarged group's shares, underwritten by

Shares in Limelight Group, which markets kitchens and bathrooms, have been priced at between 175p and 190p, giving it a market value of £275m and £190m. Founder Stephen Boaler, who stepped down as non-executive chairman last month, is selling more than half of his 50 per cent holding.

□ Shares in Brads Hatch Leisure, owner of four motor racing circuits, will be priced at 15p for flotation, valuing the group at £34.3m. It aims to raise £9.3m.

Access Plus is coming to AIM via a placing. Brads Hatch is to raise £13.5m via a placing of 8.75m shares at 15p.

Brit Allcroft is to raise £18m via a placing of 35m shares at 13p.

Drake is to raise up to 25m via a placing.

Guernsey is to raise 27.5m via a placing.

LA Leisure is to raise £3m via AIM flotation.

Prospect Industries is to raise £7.3m via a placing/offer of 224.5m shares at 31p.

Safefund is to raise £2.8m via a placing/offer of shares at 31p.

Scottish Highland Hotels is to raise nearly £13m via its flotation.

Westport is to raise £2.2m via a placing and offer of 187m shares at 13p.

Xenon is to raise £22.8m via a placing.

Aradus International is to raise £14.5m via a 1 for 3 at 45p rights issue of 35.5m shares.

Perkins Foods is to raise £15.5m via a 1 for 3 at 740p rights issue.

Stamps is to raise £10.5m via a 1 for 3 at 45p rights issue.

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Scottish Highland

Weekend Investor

Wall Street

Political battles leave investors cold

John Authers assesses the mood as election day approaches for Americans

There is only one more day for share trading before the presidential election. That now seems certain to see a Democrat re-elected to a second term for the first time in 60 years.

It might even signal the re-election – after only one term – of the Republicans' attempt, after 40 years as the minority party, to revolutionise the House of Representatives.

Economic policy has been a central issue. Why, then, does the market seem not to care? The two months since the campaign's official start on Labor Day (September 1) have been characterised by intense speculation about a possible rise in base rates. But, even now, politics seems to rank low in investors' list of priorities.

At the presidential level, this can be explained quite easily. First, there is little uncertainty. Unless the pollsters are even further off track than they were for the UK general election of 1992, the winner has never been in serious doubt since the campaign began.

Second, the economy has performed well under Clinton's watch, even though there is ample room to doubt if he deserves the credit for it. If anything, there has been more alarm on Wall Street over the proposal by Republican opponent Robert Dole for a tax cut, which would have re-awakened fears for a growing deficit.

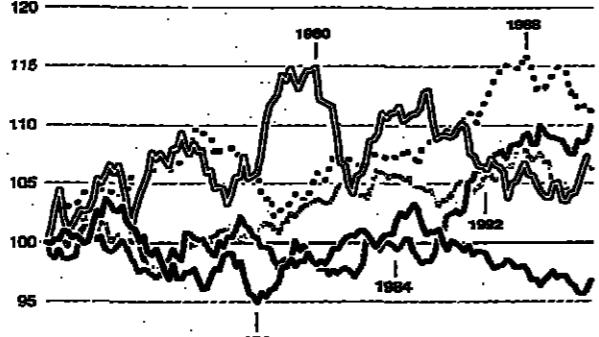
With a Republican Congress to keep a check on his alleged tax-and-spend instincts, a second Clinton term is nothing to worry about. And, on balance, the polls still suggest that the Republicans should win in the House.

In the past few weeks, though, the polls have started to suggest there is a chance – albeit slim – that the House could fall to the Democrats. It controls the budget process, and marketeers are worried that a Democrat victory would put back the prospect of deficit reduction. That, in turn, has created uncertainty, which has contributed to some volatile behaviour.

This has been clearest in the erratic behaviour of the Dow Jones Industrial Average, which has passed through the 6,000 barrier in

So do the markets care about politics?

US Stocks in presidential election years S&P composite index (rebased 1 Sept=100)



one direction or another every day, falling back through the milestone on Monday and Wednesday.

Information on corporate earnings has affected this, but the results season is drawing to a close and there were no significant surprises this week. Traders also were awaiting the welter of economic information published yesterday which led to broad fluctuations in morning trading.

Prudential Securities' Greg Smith predicts a "relief rally" in the stock, and possibly the bond, markets if the Republicans hold on in the House. But what are the longer term implications for the markets of the electoral cycle?

The general wisdom has it that the market tends to perform better in the year immediately before an election than it does in years immediately after it. This can be explained easily.

Politicians worldwide are more likely to increase government spending and cut base rates in the year before they face the electorate. They are happiest about raising base rates or taxes when they know an election is more distant.

In 1981, the first year of the Reagan presidency, the total return on the Standard & Poor's 500 was only 0.19 per cent. It had rallied 32.67 per cent the previous year, partly in anticipation of his victory.

Could this phenomenon now help to trigger the over-correction in the US stock market, which continues to look overvalued by

many conventional measures? Judging by past performance, it seems unlikely.

In the past two electoral cycles, the S&P fared worst in the second year, not the first.

It gained only 3.83 per cent in 1994, the second year of Clinton, and fell 7.49 per cent in 1990, the second year of Bush. By contrast the markets greeted the incoming president Bush in 1989 with a rally of 26.31 per cent, while stocks rose 14.83 per cent in 1993 as Clinton took over the reins.

The chart, which shows the S&P 500 over the six months following Labor Day in each of the past five presidential election years, suggests the lessons from history are not as clear-cut as market mythology might suggest. Squint and you will see that, in all of those years, stocks made a brief rally in the week before the election to be followed by a short sharp sell-off.

But, four months after the election, with the president in place and his legislative agenda announced in the State of the Union address, the S&P has been comfortably ahead of its position on Labor Day. No matter how much they try to take credit for it, perhaps this just shows that politicians do not have that much impact on the economy.

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Could this phenomenon

now help to trigger the over-correction in the US stock market, which continues to look overvalued by

many conventional measures? Judging by past performance, it seems unlikely.

In the past two electoral cycles, the S&P fared worst in the second year, not the first.

It gained only 3.83 per cent in 1994, the second year of Clinton, and fell 7.49 per cent in 1990, the second year of Bush. By contrast the markets greeted the incoming president Bush in 1989 with a rally of 26.31 per cent, while stocks rose 14.83 per cent in 1993 as Clinton took over the reins.

The chart, which shows the S&P 500 over the six months following Labor Day in each of the past five presidential election years, suggests the lessons from history are not as clear-cut as market mythology might suggest. Squint and you will see that, in all of those years, stocks made a brief rally in the week before the election to be followed by a short sharp sell-off.

But, four months after the election, with the president in place and his legislative agenda announced in the State of the Union address, the S&P has been comfortably ahead of its position on Labor Day. No matter how much they try to take credit for it, perhaps this just shows that politicians do not have that much impact on the economy.

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